



Lori A. Shibiante  
Commissioner

Katja S. Fox  
Director

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

129 PLEASANT STREET, CONCORD, NH 03301  
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October 19, 2022

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division for Behavioral Health, to enter into **Retroactive, Sole Source** contracts with the Contractors listed below in an amount not to exceed \$1,700,000 to support workforce capacity for residential treatment programs for children, effective retroactive to October 1, 2022, upon Governor and Council approval through June 30, 2023. 100% General Funds.

Funds are available in the following account for State Fiscal Year 2023, with the authority to adjust budget line items within the price limitation through the Budget Office, if needed and justified.

**05-95-92-921010-20530000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF CHILDRENS BEHVIORAL HEALTH, SYSTEM OF CARE, CLASS 102 – CONTRACTS FOR PROGRAM SERVICES**

Contractor Name	Vendor Code	Area Served	Shared Price Limitation
Chase Home for Children in Portsmouth, N.H. Portsmouth, NH	159596	Statewide	\$1,700,000
Devereux Foundation, dba Devereux Advanced Behavioral Health, Massachusetts & Rhode Island (Devereux MA/RI) Rutland, MA	166896	Statewide	
Dover Children's Home Dover, NH	154149	Statewide	
Easter Seals New Hampshire, Inc. Manchester, NH	177204	Statewide	
The Home for Little Wanderers, Inc. Boston, MA	318042	Statewide	

Mount Prospect Academy, Inc. Plymouth, NH	168139	Statewide	
Nashua Children's Home Nashua, NH	154120	Statewide	
Orion House, Incorporated Newport, NH	154861	Statewide	
Pine Haven Boys Center Suncook, NH	174119	Statewide	
Spaulding Academy & Family Services Northfield, NH	154273	Statewide	
St. Ann's Home, Inc. Methuen, MA	161236	Statewide	
Stetson School, Inc. Barre, MA	161577	Statewide	
Vermont Permanency Initiative, Inc. Bennington, VT	258588	Statewide	
Webster House Manchester, NH	318295	Statewide	
Whitney Academy, Inc. East Freetown, MA	161838	Statewide	
		<b>Total:</b>	<b>\$1,700,000</b>

**EXPLANATION**

This request is **Retroactive** because the Department determined there was an urgent need for residential treatment providers to immediately begin to recruit and retain staffing to maintain and/or expand residential treatment program capacity for children.

As a result of workforce shortages, the residential treatment providers within the Children's System of Care have been experiencing decreased staffed bed capacity at the very time demand is increasing. The population served by these providers includes children involved in juvenile justice and child protection through the Division for Children, Youth and Families (DCYF) as well as children served directly through the Bureau for Children's Behavioral Health (BCBH). Due to staffing shortages, some residential treatment programs are on official admissions holds or delayed admissions. More than half of the programs are operating below capacity. This request is **Sole Source** because the Contractors are the only residential treatment providers for children currently under contract with the Department and therefore the only Contractors eligible to receive funding for this purpose.

The purpose of this request is to enable the Contractors to maintain and expand workforce capacity within their programs in order to provide adequate access and capacity for all children in need of residential treatment. As of October 5, 2022, there were 22 children waiting in emergency departments across the state for acute psychiatric care, however, discharges from Hampstead Hospital are hampered by the lack of appropriate treatment. Additionally, residential treatment can avoid the need for a child to enter into an acute setting. Providing additional resources to the residential treatment providers will expand residential capacity, allowing more youth to transition out of Hampstead Hospital and in turn create capacity at Hampstead Hospital for children waiting at emergency departments.

In addition to expanding workforce capacity, the Department will continue working to ensure only those youth who need the clinical level of care are in residential treatment. Since the launch of the Comprehensive Assessment for Treatment (CAT) in October 2021, there have been over 700 assessments completed, ensuring that only those youth who are clinically appropriate are receiving treatment in a residential setting.

The Contractors will be working to maintain and expand their workforce capacity through a myriad of recruiting and retention activities including: advertising and outreach; sign-on bonuses; staff relocation; retention stipends; training costs; tuition reimbursement; loan repayment; and overtime bonuses. The Contractors will submit an initial spending plan for Department approval and may request additional funds by submitting another spending plan, which will enable the Department to ensure this funding is able to be utilized and responsive to the workforce needs of these providers. The providers will return unused funds to the Department.

The Department will monitor services by reviewing spending plans, monthly staffing reports including hiring and resignations, and invoices submitted by the Contractors.

Should the Governor and Council not authorize this request, the ability of the residential treatment programs to maintain and expand their workforce capacity will remain severely diminished, resulting in system-wide impacts, including fewer timely transitions from emergency rooms or hospitals to residential treatment programs.

Respectfully submitted,



Lori A. Shibinette  
Commissioner

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth


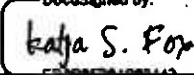
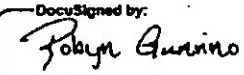
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> New Hampshire Department of Health and Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301-3857	
<b>1.3 Contractor Name</b> The Chase Home		<b>1.4 Contractor Address</b> 698 Middle Road Portsmouth, NH 03801	
<b>1.5 Contractor Phone Number</b> 603-436-2216	<b>1.6 Account Number</b> 10-20530000-102-500731	<b>1.7 Completion Date</b> 6/30/2023	<b>1.8 Price Limitation</b> \$1,700,000
<b>1.9 Contracting Officer for State Agency</b> Robert W. Moore, Director		<b>1.10 State Agency Telephone Number</b> (603) 271-9631	
<b>1.11 Contractor Signature</b> DocuSigned by:  Date: 10/17/2022		<b>1.12 Name and Title of Contractor Signatory</b> Katherine (Meme) Wheeler Executive Director	
<b>1.13 State Agency Signature</b> DocuSigned by:  Date: 10/17/2022		<b>1.14 Name and Title of State Agency Signatory</b> Katja S. Fox Director	
<b>1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b> By:  On: 10/18/2022			
<b>1.17 Approval by the Governor and Executive Council (if applicable)</b> G&C Item number: _____ G&C Meeting Date: _____			

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

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT:**

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

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

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

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

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

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

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

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

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

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


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

**7. PERSONNEL.**

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

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

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

Contractor Initials   
Date 10/17/2022

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

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

**9. TERMINATION.**

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

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

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

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

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

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

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

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

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Date 10/17/2022

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

**14. INSURANCE.**

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

Contractor Initials DS  
KW  
Date 10/17/2022

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

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

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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its Plan within five (5) days of notification of non-approval from the Department.

- 1.6. The Contractor must implement the Plan immediately upon notification of Department approval.
- 1.7. Reporting
  - 1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:
    - 1.7.1.1. Youth Served.
    - 1.7.1.2. Workforce, including, but not limited to:
      - 1.7.1.2.1. Total Staffing.
      - 1.7.1.2.2. Resignations.
      - 1.7.1.2.3. Vacant Positions.
      - 1.7.1.2.4. Offers.
  - 1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

## **2. Exhibits Incorporated**

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

## **3. Additional Terms**

### **3.1. Impacts Resulting from Court Orders or Legislative Changes**

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

### **3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

KW

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

**Appropriate Programs and Services**

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

**3.3. Credits and Copyright Ownership**

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

3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

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

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

KW

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

- 4.1. The Contractor must keep records that include, but are not limited to:
- 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
  - 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to dhhs.dbhinvoicesmhs@dhhs.nh.gov or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. The Contractor must email an annual audit to dhhs.act@dhhs.nh.gov if any of the following conditions exist:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must 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.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.



New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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

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## New Hampshire Department of Health and Human Services

## Exhibit D

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

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

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

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Exhibit D  
Health Insurance Portability Act  
Business Associate Agreement  
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## New Hampshire Department of Health and Human Services



## Exhibit D

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

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

**(3) Obligations and Activities of Business Associate.**

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

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

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

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## New Hampshire Department of Health and Human Services



## Exhibit D

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
  - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
  - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
  - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
  - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
  - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
  - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate

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## New Hampshire Department of Health and Human Services



## Exhibit D

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

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Exhibit D  
Health Insurance Portability  
Act Business Associate  
Agreement Page 5 of 6

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New Hampshire Department of Health and Human Services

Exhibit D

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

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

Department of Health and Human Services

The Chase Home

The State by:

Name of the Contractor

*Katja S. Fox*

*Katherine (Meme) Wheeler*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Katherine (Meme) Wheeler

Name of Authorized Representative

Name of Authorized Representative

Director

Executive Director

Title of Authorized Representative

Title of Authorized Representative

10/17/2022

10/17/2022

Date

Date

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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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

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

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**II. METHODS OF SECURE TRANSMISSION OF DATA**

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

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Exhibit E

DHHS Information Security Requirements



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

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

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

**A. Retention**

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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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

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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - 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.

DS  
b/w

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

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

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

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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

# State of New Hampshire

## Department of State

### CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that THE CHASE HOME is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on October 24, 2017. 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: 781275

Certificate Number: 0005884755



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 17th day of October A.D. 2022.

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

David M. Scanlan  
Secretary of State

CERTIFICATE OF AUTHORITY

I, WILLIAM TUCKER, heraby 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 THE CHASE HOME  
(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 10/17/22, 2022, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

VOTED: That Katherine (Mare) Wheeler (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of The Chase Home 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: 10/17/22

W. T.  
Signature of Elected Officer  
Name:  
Title:





## The Chase Home's Mission Statement:

The Chase Home is dedicated to providing supportive and restorative residential and family services to at-risk youth in a safe and nurturing environment.

9:13 AM

07/13/21

Accrual Basis

The Chase Home  
Profit & Loss Budget vs. Actual

July 2020 through June 2021

	Jul '20 - Jun 21	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Contribution Income			
Donations	140,941.17	40,000.00	100,941.17
Fundraising	6,984.00	25,000.00	-18,016.00
Grants	166,940.25	110,000.00	56,940.25
Total Contribution Income	314,865.42	175,000.00	139,865.42
Interest	164.35		
Program Income			
Diversion Program	44,649.80	5,000.00	39,649.80
HBT Services	49,440.23	60,000.00	-10,559.77
Independent Living Program	196,658.24	200,000.00	-3,341.76
ISO- Individual Service Option	247,293.00	240,000.00	7,293.00
State of NH - DCYF- Res	662,683.70	720,000.00	-57,316.30
State of NH Medicaid- Res	259,862.50	280,000.00	-20,137.50
Title One Income	31,677.96	75,000.00	-43,322.04
Total Program Income	1,492,265.43	1,580,000.00	-87,734.57
Total Income	1,807,295.20	1,755,000.00	52,295.20
Gross Profit	1,807,295.20	1,755,000.00	52,295.20
Expense			
Operating Costs			
Bank Fee	74.80	0.00	74.80
Communications	25,632.06	16,000.00	9,632.06
Employee Benefits	171,608.09	187,000.00	-15,391.91
Employment Expenses	6,744.69	3,000.00	3,744.69
Fundraiser/Development	51,885.44	56,000.00	-4,114.56
Insurance	47,237.31	46,600.00	637.31
Insurance - Vehicle	-3,157.85	5,400.00	-8,557.85
License & Permits	700.00	0.00	700.00
Maint & Repairs	73,729.40	60,000.00	13,729.40
Membership-Dues	3,295.80	2,000.00	1,295.80
Miscellaneous	25.52	2,000.00	-1,974.48
Office Equipment Rentals	5,660.50	6,000.00	-339.50
Office Supplies	9,892.31	6,000.00	3,892.31
Payroll Expenses			
Bonuses	4,200.00	5,000.00	-800.00
Employer taxes	121,467.40	90,000.00	31,467.40
On-Call Coverage	24,380.00	24,000.00	380.00
Overtime	52,510.64	40,000.00	12,510.64
Wages	1,014,183.92	938,000.00	76,183.92
Payroll Expenses - Other	1,767.49	2,000.00	-232.51
Total Payroll Expenses	1,218,509.45	1,099,000.00	119,509.45

9:13 AM

07/13/21

Accrual Basis

The Chase Home  
Profit & Loss Budget vs. Actual

July 2020 through June 2021

	Jul '20 - Jun 21	Budget	\$ Over Budget
Professional Fees			
Bookkeeping Fees	25,005.00	24,000.00	1,005.00
HR Admin and Payroll Processing	24,868.40	23,000.00	1,868.40
Total Professional Fees	49,873.40	47,000.00	2,873.40
Staff Training	62,074.48	61,000.00	1,074.48
Utilities	40,583.72	47,000.00	-6,416.28
Vehicle - Mx & Repair	11,505.71	10,000.00	1,505.71
Vehicle - Travel	16,727.05	40,000.00	-23,272.95
Total Operating Costs	1,792,601.88	1,694,000.00	98,601.88
Program Expenses			
Diversion Program Expense	1,568.50	3,000.00	-1,431.50
ISO Program Expenses	125.00		
Residential Program			
Household Expenses	14,067.50	17,000.00	-2,932.50
Household Groceries	46,944.16	35,000.00	11,944.16
Medical	2,770.17	3,000.00	-229.83
Recreation - Activities	32,847.95	22,000.00	10,847.95
Resident Clothing	9,653.78	8,000.00	1,653.78
Resident Expenses	-682.08	1,000.00	-1,682.08
Resident Incentives and Gifts	12,044.54	9,000.00	3,044.54
Residential Education	3,314.26	5,000.00	-1,685.74
Residents Allowance	2,964.25	3,000.00	-35.75
Total Residential Program	123,924.53	103,000.00	20,924.53
Total Program Expenses	125,618.03	106,000.00	19,618.03
Uncategorized Expenses	816.48		
Total Expense	1,919,036.39	1,800,000.00	119,036.39
Net Ordinary Income	-111,741.19	-45,000.00	-66,741.19
Other Income/Expense			
Other Income			
Trust Grants	225,000.00	225,000.00	0.00
Total Other Income	225,000.00	225,000.00	0.00
Other Expense			
Capacity Building Grant	13,709.80		
Capital Improvements	0.00	150,000.00	-150,000.00
COVID-Related Expenses	1,045.77		
Restricted Assets	91,402.23	30,000.00	61,402.23
Total Other Expense	106,157.80	180,000.00	-73,842.20
Net Other Income	118,842.20	45,000.00	73,842.20
Net Income	7,101.01	0.00	7,101.01

The Chase Home Board of Directors  
2021-2022

Robert Levey, President

Shane McDonough, Vice President

William Tucker, Treasurer

T.D. Thompson

Scot Hopps

Ben Lindberg

Justin Rivlin

Tharon Cotrell

Pamela Peterson

## Katherine "Meme" Wheeler



### LEADERSHIP SUMMARY

- ❖ Strategic, resourceful non-profit leader with 20 years of expertise in engaging with the Health & Human Services and Child Welfare systems to work effectively in improving the life outcomes of children and their families.
- ❖ Social innovator with superior operations skills and knowledgeable on how to secure federal, grant-based and private funding for critical social service work.
- ❖ Successful at building sustainable relationships with state and federal government officials, legislators, lobbyists, thought-leaders, private agencies and communities.
- ❖ Analytical leader with the ability to synthesize, assess and research to identify best practices and policies.
- ❖ Powerful communicator with outstanding writing, speaking and public presentation skills.
- ❖ Data-based decision maker who relies on both quantitative and qualitative analysis to arrive at sound decisions and prioritizes and communicates goals to staff and team members effectively.
- ❖ Results-oriented supervisor with the ability to train, mentor, evaluate others for optimum performance and provide technical assistance as needed. Collaborative team member skilled at consensus-building and working across reporting, departmental and organizational lines to achieve superior, cost-effective results for clients; facilitates discussion in the workplace through meetings, ongoing written communication and by consulting staff regularly to generate creativity, ideas and buy-in for key projects; builds working partnerships with community stakeholders, government and private participants.
- ❖ Skilled mediator with a knack for problem-solving in pragmatic, cost-effective ways.
- ❖ Natural relationship builder with a solution-focused approach and the belief there are no dead-ends, only other roads to pursue.
- ❖ Successful child advocate with a passion for and commitment to substantially improving the lives of children and families, using strategies to achieve permanent outcomes through reunification, adoption, guardianship and foster care.

### PROFESSIONAL EXPERIENCE

Casey Family Services  
Agency of the Annie E. Casey Foundation

1997 to Present

Division Director, Lowell, MA

- \*Administrative and financial accountability for all CFS operations within the Lowell division assuring compliance (state, federal and accrediting authorities), and program/services quality.
- \*Director of 25 staff, accountable for the implementation of CFS philosophy, mission and objectives.
- \* Submits the annual division operating budget of \$3.2 million in accordance with established guidelines to CFS Executive Committee. Approves budgeted expenses assuring fiscal responsibility and identifies all variances.
- \* Active driver of continuous improvement to build a high performance culture.
- \*Advocate for and implementer of high quality, evidence-based child and family services. Serves on external committees, boards, and as a leader of internal committees and work groups.

Deputy Division Director, Concord, NH

- \*Managed all division operations to generate high service quality in full compliance with relevant state and federal regulations.
- \*Direct supervisor, mentor and coach of six Team Leaders.
- \*Representative of organization at professional meetings, conferences and in public venues.
- \*Influenced child welfare practice and increased public awareness of Casey Family Services by cultivating trusting, collaborative relationships with public agencies.
- \*Drafted reports synthesizing key aspects of work, suggested strategies and analyzing outcomes. Responsible for work strategies, communications and staff performance.

Katherine Wheeler Resume  
Page Two

**Team Leader**

- \*Staff supervisor of foster care and family resource center professionals.
- \*Part of Management Team responsible for overall operations and efficiency of the New Hampshire Division.
- \*Conducted training, evaluations and strategic planning for the team.
- \*Highly involved in the roll out of the Case Information System, a child welfare case management system.
- \*Partnered with Division Director to develop the services at the Family Resource Center in the Franklin School District. Co-drafter who helped to procure 5-year grant funding from the 21<sup>st</sup> Century Learning Center Grant to implement before and after school programs within Franklin School System.
- \*Partnered with Division Director to create and implement the Accelerated Reunification Program for children and families referred by DCYF. This program successfully reunified families within a 90 day period.

**Social Worker**

- \*Conducted foster family training and provided intensive support, social work and clinical case management support for children and families.
- \*Worked closely with federal, state and local agencies to achieve favorable outcomes.

**Division for Children, Youth and Families**

Rochester, New Hampshire  
1990-1997

**Assistant Supervisor**

- \*Supervised four social workers and an intern while carrying two caseloads.
- \*Interviewed and hired new employees as part of a team.
- \*Directly supervised family service/assessment social workers and evaluated staff.
- \*Provided strategic guidance for critical case management decisions.
- \*Analyzed and synthesized factual data to identify best practices and to supplement agency fact-finding process.
- Facilitated meetings, conducted staff-training and coaching.
- \*Provided technical assistance as needed and engaged in the beta testing of BRIDGES, a SACWIS purchased by DCYF to improve the outcomes for all clients.

**Permanency Worker**

- \*Specialized in developing and implementing permanent plans (adoption, guardianship, foster care) for children not returning to family living situations.
- \*Collaborated extensively with the New Hampshire District and Probate Court systems.
- \*Worked with court representatives to define and deliver permanency results for each child on caseload.

**Family Service Worker**

- \*Worked with abused and/or neglected children and their families.
- \*Developed and implemented case plans to reunify or prevent placement for each family.

**Selected Related Experience**

**Clinical Social Worker-Portsmouth Pavilion/Portsmouth Regional Hospital**

**Charge Counselor-Dover Children's Home**

**EDUCATION, CERTIFICATION AND PROFESSIONAL MEMBERSHIP**

**Master of Social Work**

Advanced Standing Program - Clinical Concentration  
University of New England Biddeford, Maine

**Bachelor of Social Work**

Hood College Frederick, Maryland

**University of Pittsburgh**

**Semester at Sea Program**

Traveled to: Japan, China, USSR, Malaysia, Spain, Egypt, Philippines, Taiwan, India, Turkey, and Yugoslavia as part of educational program.

LICSW, New Hampshire #1279

National Association of Social Workers-Active Member

**Katherine Wheeler Resume**  
**Page Three**

**Current Experience:**

**Chase Home for Children, Portsmouth, NH**

**June, 2013 to Present**

**Executive Director**

- \*Administrative and financial accountability for all Chase Home operations
- \* Director of 32 staff
- \*Active Fundraiser for the sustainability of Chase Home
- \*Assuring compliance with state licensing and certification requirements
- \* Accountable to Chase Home Board of Trustees and Board of Directors
- \*Active driver of continuous improvement to build high quality services to youth and their families
- \*Provides clinical oversight to all programming: residential, in-home family therapy, and clinicians



**CRAIG DENNIS**

**Education:**

Southern New Hampshire University-Manchester, NH  
**Bachelor's Degree in Business Studies; Concentration Marketing** Nov, 2013

New Hampshire Technical Institute-Concord, NH  
**Associates Degree in Criminal Justice** May, 2003

**Qualifications:**

- Proficient in ADP workforce Now, ADP payroll system software, TSheets Payroll Services (4 years exp)
- Human Resources management and systematic implementation of resources and HR guidelines
- Web site design and development. Social Media Administrator
- Small business IT development, management and integration
- Ten years of supervisory, training and managerial experience- Supervision of 15-20 employee's
- Analyzed, designed and implemented efficient policies and procedures as needed
- Positive attitude, effective problem solver, dedicated professional
- Excellent communication and assessment skills, forward thinking and solution focused always
- Organized; able to manage multiple projects, multi-task, and meet deadlines under pressure

**Experience:**

**The Chase Home for Children – Portsmouth, NH**

**Program Director**

**April 2014- September 2016**

- Developed Programming in coordination with the Executive Director
- Marketing of programmatic services to referral agencies
- Design and implementation of policy, protocol, and procedure
- Collaboration with other State agencies
- Strong focus towards problem solving/process improvement
- Certified Trainer- Presenting to agency, Senior leadership and Board of Directors
- Responsible for Compliance to state of NH licensing and certification
- Oversee hiring, training and staff development, Employee Handbook Development
- Direct supervision of 15-20 employees- Responsible for staffing, scheduling, training and evaluation

**Brew Brothers, LLC Rockwell Homes – Kittery, ME**  
**Operations and Office Manager**

**September 2016 – January 2019**

- Office and workstation setup, IT integration
- HR development and systems development
- Employee operations and training
- Website administrator and social media development for business
- Project management
- Developed systems for technology to support operations in the field including:
  - Payroll services and TSheets – supporting employees in the field track and classify their labor for multiple projects and departments daily
  - Google Drive – Administrative – day to day operations use, company email, scheduling, document storage and organization, creation
  - Buildertrend software – Project Management, scheduling solutions and tracking with employees, tradesman, and homeowners
  - Other systems to support daily operations, labor, and IT integration

**Personnel Primarily Responsible for Meeting the Terms and Conditions of This Agreement:**

**Katherine (Meme) Wheeler**

**Annual Salary: \$90,177**

**\$0 Paid by staff recruitment and retention contract**

**Resume attached**

**Craig Dennis**

**Annual Salary: \$72,893**

**\$0 Paid by staff recruitment and retention contract**

**Resume attached**

## Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

**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 Devereux Foundation, dba Devereux Advanced Behavioral Health, -Massachusetts & Rhode Island (Devereux MA/RI)		1.4 Contractor Address 60 Mile Road, PO Box 219 Rutland, MA 01543	
1.5 Contractor Phone Number 508-886-4746	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by: <i>Nadyia Abbas</i> Date: 10/18/2022		1.12 Name and Title of Contractor Signatory Nadyia Abbas Assistant Executive Director	
1.13 State Agency Signature DocuSigned by: <i>Katja S. Fox</i> Date: 10/18/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>Polyn Guano</i> On: 10/18/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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

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

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

**9. TERMINATION.**

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

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

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

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

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

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

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

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

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

**14. INSURANCE.**

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

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

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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- 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit its Plan within five (5) days of notification of non-approval from the Department.
- 1.6. The Contractor must implement the Plan immediately upon notification of Department approval.
- 1.7. Reporting
  - 1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:
    - 1.7.1.1. Youth Served.
    - 1.7.1.2. Workforce, including, but not limited to:
      - 1.7.1.2.1. Total Staffing.
      - 1.7.1.2.2. Resignations.
      - 1.7.1.2.3. Vacant Positions.
      - 1.7.1.2.4. Offers.
  - 1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

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

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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compliance therewith.

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

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

**3.3. Credits and Copyright Ownership**

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

3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

3.3.3.1. Brochures.

3.3.3.2. Resource directories.

3.3.3.3. Protocols or guidelines.

3.3.3.4. Posters.

3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

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

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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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the provision of the services at such facility. If any governmental license or permit must be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

- 4.1. The Contractor must keep records that include, but are not limited to:
- 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
  - 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.



## New Hampshire Department of Health and Human Services

## Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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

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Exhibit D  
 Health Insurance Portability Act  
 Business Associate Agreement  
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New Hampshire Department of Health and Human Services

Exhibit D

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

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

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

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NA





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Exhibit D


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

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

(3) Obligations and Activities of Business Associate.

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

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

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



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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

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

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

Department of Health and Human Services

Devereux MA & RI

The State

Name of the Contractor

DocuSigned by:

DocuSigned by:

*Katja S. Fox*

*Nadyia Abbas*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Nadyia Abbas

Name of Authorized Representative

Name of Authorized Representative

Director

Assistant Executive Director

Title of Authorized Representative

Title of Authorized Representative

10/18/2022

10/18/2022

Date

Date

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

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

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### Exhibit E

### DHHS Information Security Requirements



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

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

#### I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

##### A. Business Use and Disclosure of Confidential Information.

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

## New Hampshire Department of Health and Human Services

## Exhibit E

## DHHS Information Security Requirements



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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DHHS Information Security Requirements



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

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

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

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

**A. Retention**

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



New Hampshire Department of Health and Human Services

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DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

## New Hampshire Department of Health and Human Services

### Exhibit E

### DHHS Information Security Requirements



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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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Exhibit E

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

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

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

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

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

**Exhibit E**

**DHHS Information Security Requirements**



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

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

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov



Commonwealth of Massachusetts  
Department of Revenue  
Geoffrey E. Snyder, Commissioner

mass.gov/dor

Letter ID: L1172891072  
Notice Date: May 27, 2022  
Case ID: 0-001-530-077



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



DEVEREUX FOUNDATION  
2012 RENAISSANCE BLVD  
KING OF PRUSSIA PA 19406-2746

### *Why did I receive this notice?*

The Commissioner of Revenue certifies that, as of the date of this certificate, DEVEREUX FOUNDATION is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

This certificate doesn't certify that the taxpayer is compliant in taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law.

**This is not a waiver of lien issued under Chapter 62C, section 52 of the Massachusetts General Laws.**

### *What if I have questions?*

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

### *Visit us online!*

Visit [mass.gov/dor](http://mass.gov/dor) to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

- Review or update your account
- Contact us using e-message
- Sign up for e-billing to save paper
- Make payments or set up autopay

Edward W. Coyle, Jr., Chief  
Collections Bureau

Use the confirmation code below to print another copy of this letter or to review your submission.



Commonwealth of Massachusetts  
Department of Revenue  
Geoffrey E. Snyder, Commissioner

mass.gov/dor

Letter ID: L1172891072  
Notice Date: May 27, 2022  
Case ID: 0-001-530-077



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE

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DEVEREUX FOUNDATION  
2012 RENAISSANCE BLVD  
KING OF PRUSSIA PA 19406-2746

Confirmation Code: ywdqzv

### CERTIFICATE OF AUTHORITY

Pursuant to the authority granted under Article 4, Section 12 of Bylaws of The Devereux Foundation d/b/a Devereux Advanced Behavioral Health ("Devereux"), any two Officers of Devereux are authorized to sign contracts on behalf of Devereux and the President and any second Officer may delegate authority to sign contracts on behalf of Devereux and in Devereux's name to other individuals by name.

We, Carl E. Clark, II, President and Chief Executive Officer and Robert C. Dunne, Senior Vice President and Chief Financial Officer of Devereux hereby delegate to Nadyia Abbas, Assistance Executive Director, full authority to enter into and sign revenue contracts for Fiscal Year 2023 on behalf of Devereux for its Massachusetts and Rhode Island Centers effective July 1, 2022 through June 30, 2023. The signature authority delegated to Ms. Abbas includes authorization to enter into revenue contracts with the State of New Hampshire and any of its agencies or departments and Ms. Abbas is further authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in her judgment be desirable or necessary to effect the purpose of this delegation of signature authority.

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.

10/18/22

DocuSigned by:

Carl Clark  
0ABAEB04FDB451

Dated:

Signature of Elected Officer

Name: Carl E. Clark, II

Title: President and Chief Executive Officer

ROBERT DUNNE  
0784582AWJ134AB

Signature of Elected Officer

Name: Robert C. Dunne

Title: Senior Vice President and Chief Financial Officer



# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
9/01/2022

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

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

<b>PRODUCER</b> Conner Strong & Buckelew PO Box 99106 Camden, NJ 08101 877 861-3220	<b>CONTACT NAME:</b> Hayden Underwood
	<b>PHONE (A/C, No, Ext):</b> 856-479-2117
	<b>FAX (A/C, No):</b>
	<b>E-MAIL ADDRESS:</b> hunderwood@connerstrong.com
	<b>INSURER(S) AFFORDING COVERAGE</b>
	<b>INSURER A:</b> Lexington Insurance Company
	<b>INSURER B:</b> ACE American Insurance Company
	<b>INSURER C:</b> Indemnity Ins Co of North America
	<b>INSURER D:</b> XL Specialty Insurance Company
	<b>INSURER E:</b> TDC Specialty Insurance Company
	<b>INSURER F:</b>
<b>INSURED</b> Devereux Foundation 2012 Renaissance Blvd King of Prussia, PA 19406	<b>NAIC #</b> 19437 22667 43575 37885 34487

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


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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			13548329	07/01/2022	07/01/2023	EACH OCCURRENCE \$5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$5,000,000 GENERAL AGGREGATE \$5,000,000 PRODUCTS - COMP/OP AGG \$5,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY  <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$			ISAH1069940A	07/01/2022	07/01/2023	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ EACH OCCURRENCE \$ AGGREGATE \$ \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			WLRC70303449	07/01/2022	07/01/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional Liability			13548329	07/01/2022	07/01/2023	\$5,000,000 Each Claim \$5,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 The above referenced General Liability and Professional Liability Policy (Insurer A) affords the following

Abuse and Molestation limits:  
 \$5,000,000 per claim and \$5,000,000 aggregate

Umbrella Liability attaches excess of Auto Liability and Employers Liability.  
 (See Attached Descriptions)

<b>CERTIFICATE HOLDER</b>  State of New Hampshire Department of Health and Human Services 129 Pleasant Street Concord, NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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## DESCRIPTIONS (Continued from Page 1)

Excess Liability provides General Liability (occurrence basis) and Professional Liability (claims-made basis) coverage and attaches at \$10,000,000.

**Our Mission:**

*Devereux Advanced Behavioral Health changes lives by unlocking and nurturing human potential in people living with emotional, behavioral or cognitive differences.*

**Our Core Beliefs**

- *What we do every moment matters.*
- *We embrace the full potential of individuals and their families and offer unwavering hope.*
- *We promote absolute service excellence.*
- *We value our staff and foster families.*

**Our Values: Compassion Accountability Respect Excellence Safety**

CONSOLIDATED FINANCIAL STATEMENTS

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health  
Years Ended June 30, 2021 and 2020  
With Report of Independent Auditors

Ernst & Young LLP



The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

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ey.com

## Report of Independent Auditors

The Board of Trustees  
The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

We have audited the accompanying consolidated financial statements of The Devereux Foundation and Controlled Entities d/b/a Devereux Advanced Behavioral Health, which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Devereux Foundation and Controlled Entities d/b/a Devereux Advanced Behavioral Health as of June 30, 2021 and 2020, and the consolidated results of its operations and changes in net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

*Ernst + Young LLP*

October 22, 2021

-The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Consolidated Balance Sheets  
(In Thousands)

	June 30	
	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents, including funds held for individuals of \$3,075 and \$2,349 in 2021 and 2020, respectively	\$ 41,284	\$ 44,865
Accounts receivable, net	49,343	59,630
Current portion of assets limited as to use	482	993
Operating fund investments	57,801	20,702
Prepaid expenses and other current assets	5,758	3,907
Total current assets	154,668	130,097
Assets limited as to use:		
By board for designated purposes	172,365	122,007
By trustees under bond indenture agreements, net of current portion	652	595
By donor	17,059	15,860
By insurance agreement	7,000	7,000
	197,076	145,462
Property and equipment, net	119,865	116,603
Operating lease assets, net	20,296	23,058
Pledges receivable and deferred gifts	9,276	10,590
Other assets	16,412	4,759
Total assets	\$ 517,593	\$ 430,569



The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Consolidated Balance Sheets (continued)  
(In Thousands)

	June 30	
	2021	2020
<b>Liabilities and net assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 6,033	\$ 4,203
Current portion of operating lease liability	7,390	8,054
Accounts payable and accrued expenses	14,777	9,579
Employee compensation and related benefits	39,868	30,382
Current portion of estimated settlements due to third-party payors	15,777	14,239
Current portion of reserves under insurance programs and other current liabilities	20,952	23,823
Funds held for individuals	3,075	2,349
Total current liabilities	107,872	92,629
Estimated settlements due to third-party payors, net of current portion	639	732
Reserves under insurance programs, net of current portion	64,596	24,177
Other long-term liabilities	10,360	9,989
Deferred revenue	4,750	5,786
Obligation to provide future services and use of facilities to continuing care individuals	8,730	5,524
Refundable advance – PPP Loan	10,000	–
Operating lease liability, net of current portion	13,488	15,335
Long-term debt, net of current portion	50,222	56,491
Total liabilities	270,657	210,663
Net assets:		
Without donor restrictions	220,693	193,480
With donor restrictions	26,243	26,426
Total net assets	246,936	219,906
Total liabilities and net assets	\$ 517,593	\$ 430,569

*See accompanying notes.*

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Consolidated Statements of Operations and Changes in Net Assets  
(In Thousands)

	Year Ended June 30	
	2021	2020
<b>Net assets without donor restrictions</b>		
Revenue:		
Net service revenue	\$ 505,330	\$ 516,182
Investment income	21,879	4,216
Gifts and bequests	4,622	5,475
Other revenue	19,907	10,385
Net assets released from restrictions for operations	2,253	1,543
	<u>553,991</u>	<u>537,801</u>
Expenses:		
Salaries and wages	330,587	321,064
Employee benefits	85,477	74,529
Food	7,704	8,149
Purchased services	37,157	38,276
Supplies	11,172	10,647
Plant operation and maintenance	29,990	28,789
Depreciation and amortization	15,327	15,152
Interest	2,437	2,248
Insurance	34,050	18,247
Other	6,728	10,515
	<u>560,629</u>	<u>527,616</u>
Operating (loss) income before other items	(6,638)	10,185
Other items:		
Gain (loss) on investment in joint venture	616	(100)
Change in obligation to provide future services and the use of facilities to continuing care individuals	(2,581)	600
Change in fair value of interest rate swap	1,928	(2,547)
Net gain on disposition of property	3,072	30
Unrealized gains on investments in equity securities	31,207	2,382
Other income, net	<u>34,242</u>	<u>365</u>
Excess of revenue over expenses	27,604	10,550

(Continued on following page.)

**The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health**

**Consolidated Statements of Operations and Changes in Net Assets (continued)**  
*(In Thousands)*

	<b>Year Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Net assets without donor restrictions (continued)</b>		
Excess of revenue over expenses	\$ 27,604	\$ 10,550
Other changes in net assets without donor restrictions:		
Unrealized (losses) gains on investments of fixed income securities	(1,125)	828
Net assets released from restrictions for property and equipment purchases	734	648
Increase in net assets without donor restrictions	<u>27,213</u>	<u>12,026</u>
<b>Net assets with donor restrictions</b>		
Gifts, grants, and bequests, net	2,753	2,191
Net realized and unrealized gain on investments	1,748	22
Net assets released from restrictions for operations	(3,741)	(3,642)
Net assets released from restrictions to finance property and equipment purchases	(734)	(648)
Appropriations of net assets for intended purposes, net	(209)	(242)
Decrease in net assets with donor restrictions	<u>(183)</u>	<u>(2,319)</u>
Increase in net assets	27,030	9,707
Net assets, beginning of year	219,906	210,199
Net assets, end of year	<u>\$ 246,936</u>	<u>\$ 219,906</u>

*See accompanying notes.*

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Consolidated Statements of Cash Flows  
(In Thousands)

	Year Ended June 30	
	2021	2020
<b>Operating activities</b>		
Increase in net assets	\$ 27,030	\$ 9,707
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net gain on disposition of property	(3,072)	(30)
Depreciation and amortization	15,327	15,152
(Gain) loss from joint venture	-(616)	100
Net realized and unrealized gains in fair value of investments	(50,298)	(4,848)
Change in obligation to provide future services	3,206	(600)
Change in fair value of interest rate swap	(1,928)	2,547
Restricted contributions	(2,753)	(2,191)
Changes in operating assets and liabilities:		
Accounts receivable	10,287	857
Prepaid expenses and other current assets	(1,600)	826
Pledges receivable	453	2,290
Accounts payable and accrued expenses	4,977	(19)
Employee compensation and related benefits	9,486	456
Deferred revenue	(1,036)	(185)
Refundable advance – PPP Loan	10,000	–
Estimated settlements due to third-party payors, net	1,445	1,345
Reserves under insurance programs and other liabilities	28,645	11,964
Net cash provided by operating activities	49,553	37,371
<b>Investing activities</b>		
Purchases of property and equipment	(19,799)	(19,631)
Proceeds from sales of property and equipment	4,381	189
Joint venture capital contributions/loans	–	(230)
Proceeds from disposition of interest in joint ventures	827	–
Purchases of investments	(144,214)	(35,650)
Sales of investments	106,594	32,953
Net cash used in investing activities	(52,211)	(22,369)
<b>Financing activities</b>		
Proceeds from long-term debt	491	20,417
Repayments of long-term debt	(4,744)	(3,718)
Deferred financing costs paid	–	(205)
Restricted contributions, net	3,614	1,936
Net cash (used in) provided by financing activities	(639)	18,430
(Decrease) increase in cash and cash equivalents and restricted cash and restricted cash equivalents	(3,297)	33,432
Cash and cash equivalents and restricted cash and restricted cash equivalents at beginning of year	48,923	15,491
Cash and cash equivalents and restricted cash and restricted cash equivalents at end of year	\$ 45,626	\$ 48,923

See accompanying notes.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements  
*(In Thousands)*

June 30, 2021

**1. Organization and Basis of Presentation**

The Devereux Foundation and Controlled Entities d/b/a Devereux Advanced Behavioral Health (Devereux) is a not-for-profit corporation, dually designated by the Internal Revenue Service (IRS) as an educational facility and health care organization, with a national network of behavioral health treatment centers for children, adolescents, and adults with complex emotional; psychiatric; and developmental disabilities, including individuals with autism spectrum disorders. Treatment settings range along a continuum from acute psychiatric inpatient and campus-based residential settings to community group homes, outpatient, foster care, in-home, educational, vocational, and prevention programs.

Devereux functions as the sole corporate member for the following entities (the Controlled Entities), which are included in the accompanying consolidated financial statements:

Helena Devereux Foundation (HD Foundation) is a Pennsylvania not-for-profit corporation, which holds certain assets to benefit Devereux's programs.

Devereux Cleo Wallace (DCW) is a Colorado not-for-profit corporation that operates a psychiatric residential treatment facility and provides other behavioral health services in the Denver area. DCW is the sole corporate member of Devereux Cleo Wallace Foundation (DCW Foundation), a Colorado not-for-profit corporation that was established for the benefit of DCW. DCW Foundation is currently inactive.

QualityHealth Staffing, LLC (QHS) is a consolidated subsidiary formed in February 2018 in Pennsylvania to provide behavioral health staffing services. QHS became a wholly owned subsidiary of Devereux after the departure of another investor effective January 1, 2020.

Southeastern Pennsylvania Autism Resource Center (SPARC) is a Pennsylvania not-for-profit that provides outpatient services. Devereux became the sole member of SPARC on July 1, 2019.

QualityHealth Pharmacy, LLC (QHP) is a consolidated subsidiary formed in April 2021 in Pennsylvania to provide pharmacy services beginning in the fiscal year ending June 30, 2022.

All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements:

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
*(In Thousands)*

**2. Summary of Significant Accounting Policies**

**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**COVID-19 Pandemic and CARES Act Funding**

On March 11, 2020, the World Health Organization designated the Coronavirus Disease 2019 (COVID-19) outbreak as a global pandemic. In response to COVID-19, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. The CARES Act authorized funding to hospitals and other health care providers to be distributed through the Public Health and Social Services Emergency Fund (Provider Relief Fund). Payments from the Provider Relief Fund are to be used to prevent, prepare for, and respond to COVID-19 and shall reimburse the recipient for health care-related expenses and/or lost revenues attributable to COVID-19 and are not required to be repaid except where Provider Relief Fund payments received exceed the actual amounts of eligible health care-related expenses and/or lost revenues as defined by the U.S. Department of Health and Human Services (HHS), provided the recipients attest to and comply with the terms and conditions.

Through June 30, 2021, Devereux received and recognized \$9,907 in funding related to the Provider Relief Fund, which is included in other revenue in the accompanying 2021 consolidated statement of operations and changes in net assets. The recognized revenue has been determined based on applicable accounting guidance. Management will continue to monitor communications from HHS and governmental agencies applicable to these programs and related reporting and data submission requirements. The entire \$9,907 was spent in accordance with program requirements and included additional compensation for staff, including hazard pay for those working in isolation and quarantine units, retention bonuses, and personal protective equipment supplies.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**2. Summary of Significant Accounting Policies (continued)**

Under the CARES Act, Devereux elected to defer payment of the employer portion of Social Security taxes totaling approximately \$15,024 that otherwise would have been due between March 27 and December 31, 2020. The CARES Act requires that 50% of the total deferred amount be paid by December 31, 2021, with the remaining balance due by December 31, 2022. The amount expected to be paid in 2021 is included in accrued employee compensation and related benefits, and the remaining balance expected to be paid in 2022 is included in other long-term liabilities on the accompanying consolidated balance sheet at June 30, 2021.

Due to the evolving nature of the COVID-19 pandemic, the ultimate impact to Devereux's operating results, including costs that may be incurred in the future, the level of utilization of Devereux's services, and resulting impact on net service revenue reported in the future, and its financial condition are presently unknown. Since the beginning of the pandemic, net service revenue was significantly impacted by a reduction in residential referrals, the closure of schools and other day programs, and reduced service volumes in various outpatient and in-home services.

**Cash and Cash Equivalents**

Cash and cash equivalents, for which the carrying value approximates fair value, include money market funds and certain investments with original maturities of three months or less, excluding cash equivalents classified as assets limited as to use as such holdings are within investment portfolios. Devereux does not hold any money market funds with significant liquidity restrictions that would be required to be excluded from cash equivalents.

The following is a reconciliation of amounts reported on the consolidated balance sheets to the statements of cash flows as of and for the years ended June 30:

	2021	2020
Cash and cash equivalents	\$ 41,284	\$ 44,865
Assets limited as to use: cash and cash equivalents	4,342	4,058
Total cash and cash equivalents and restricted cash and restricted cash equivalents	<u>\$ 45,626</u>	<u>\$ 48,923</u>

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
*(In Thousands)*

**2. Summary of Significant Accounting Policies (continued)**

**Fair Value of Financial Instruments**

Financial instruments consist of cash equivalents, accounts receivable, assets limited as to use and operating fund investments, accounts payable and accrued expenses, interest-rate swaps, refundable advance (PPP Loan), and long-term debt. The carrying amounts reported on the consolidated balance sheets for cash equivalents, accounts receivable, and accounts payable and accrued expenses approximate fair value. Management's estimates of the fair value of other financial instruments are described elsewhere in the notes to the accompanying consolidated financial statements.

**Accounts Receivable**

Accounts receivable are recognized in the period services are provided and are stated at an amount that reflects the consideration Devereux expects to receive from programs administered by state and local government agencies, commercial insurance, and private payors at established contracted rates inclusive of provisions for variable consideration, such as discounts and implicit price concessions.

An allowance for uncollectible accounts is recorded only from a delinquency of accounts that were considered collectible at the time services were provided.

**Assets Limited as to Use, Investments, and Investment Income**

Assets limited as to use include assets set aside by the Board of Trustees (the Board), assets held by trustees under bond indenture agreements, assets for insurance agreements, and assets for donor purposes. Amounts set aside by the Board are designated for the operation of certain facilities, scholarships, continuing care, and other contingencies. The Board retains control over designated assets and may, at its discretion, subsequently designate the assets for other purposes. Assets limited as to use that are required for current obligations or designated for current use are reported as current assets. Assets limited as to use and operating fund investments are classified as other-than-trading securities.



The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
*(In Thousands)*

**2. Summary of Significant Accounting Policies (continued)**

Investments in debt and equity securities are measured at fair value based on quoted market prices. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in investment income, or included in net realized and unrealized gains on investments in net assets with donor restrictions if such income is restricted by the donor or legislation. Investment income is reported net of external and direct internal investment expenses, such as trustee fees and investment fund management fees. Unrealized gains and losses on investments in equity securities are reported as a component of other income. Realized gains and losses on investments sold are computed using the weighted average cost method.

Unrealized gains and losses on investments in fixed-income securities, to the extent that such losses are considered temporary, are reported as a component of other changes in net assets without donor restrictions for investments that were not held for donor-restricted purposes. Devereux periodically reviews its investments in fixed-income securities for other-than-temporary declines in the market value of investments. When an other-than-temporary decline is identified, the investment's cost is written down to the current market value, and the loss is recorded as a component of the excess of revenue over expenses.

**Property and Equipment**

Property and equipment are recorded at cost or, if donated, at fair market value at the date of receipt. Depreciation is provided on a straight-line basis over the expected useful lives of the assets. Gifts or grants for the purchase of long-lived assets, such as land, buildings, or equipment, are reported as other changes in net assets without donor restrictions. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of acquiring those assets. No interest was capitalized in 2021 or 2020.

Devereux continually evaluates whether later events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, Devereux uses an estimate of the related undiscounted operating income over the remaining life of the long-lived asset or determines the fair value of the long-lived asset in measuring whether the long-lived asset is recoverable. Devereux believes that no revision to the remaining useful lives or write-down of long-lived assets was required as of June 30, 2021 or 2020.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**2. Summary of Significant Accounting Policies (continued)**

**Deferred Financing Costs**

Deferred financing costs represent expenditures incurred in the issuance of long-term debt and are amortized using the effective-interest-rate method over the term of the related debt. These costs are presented on the consolidated balance sheets as a direct reduction of the carrying value of the associated debt, consistent with the presentation of debt discounts or premiums.

**Classification of Net Assets**

Devereux separately accounts for and reports net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are not externally restricted for identified purposes by donors or grantors. Net assets without donor restrictions include resources that the governing board may use for any designated purpose and resources whose use is limited by agreement between Devereux and an outside party other than the donor or grantor.

Net assets with donor restrictions represent those assets whose use has been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained by Devereux in perpetuity, with income generally available to support health care and education services. When the donors' intentions are met or a time restriction expires, the net assets are reclassified to net assets without donor restrictions and reported on the consolidated statements of operations and changes in net assets as net assets released from restrictions. Net assets with donor restrictions that are required to be maintained in perpetuity are invested on a pooled basis with Devereux's Board-designated investments. In accordance with Commonwealth of Pennsylvania Act 141, organizations are annually permitted to spend between 2% and 7% of permanent endowments. For both 2021 and 2020, Devereux elected to spend at a blended rate of approximately 4.0%. Additionally, in accordance with the Pennsylvania law, Devereux classifies as net assets with donor restrictions that are required to be maintained in perpetuity (a) the value of gifts donated to the permanent endowment and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. This is regarded as the "historic dollar value" of the endowed fund. Any remaining unspent earnings of the donor-restricted endowment funds is not classified as a permanent endowment and is recorded within net assets with donor restrictions until those amounts are appropriated for expenditure by Devereux in a manner consistent with Devereux's spending policy.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
*(In Thousands)*

**2. Summary of Significant Accounting Policies (continued)**

**Excess of Revenue Over Expenses**

The accompanying consolidated statements of operations and changes in net assets include the excess of revenue over expenses as the performance indicator. Changes in net assets without donor restrictions that are excluded from the excess of revenue over expenses are unrealized gains and losses on investments in fixed-income securities, to the extent that such losses are considered temporary, and net assets released from restrictions for property and equipment purchases. For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the provision of services are reported as operating revenue and operating expenses; peripheral or incidental transactions and unusual, nonrecurring items are excluded from operating results and are reported as other items within excess of revenues over expenses.

**Income Taxes**

Devereux, HD Foundation, DCW, DCW Foundation, and SPARC are exempt from federal income tax under Sections 501(a) and 501(c)(3) of the Internal Revenue Code as well as state and local income taxes pursuant to the corresponding state exemption provisions. QHS and QHP are classified as disregarded entities of Devereux for federal and state income tax purposes. The effects of income taxes are not material to the accompanying consolidated financial statements.

**Charity Care**

In advancement of its charitable mission, Devereux accepts individuals with limited or no ability to pay for services. An individual is classified as a charity individual by reference to certain established policies. Essentially, these policies define charity services as those for which payment is not anticipated. In assessing an individual's ability to pay, Devereux uses generally recognized poverty income levels, but also includes cases where incurred charges are significant relative to income.

Under certain governmental payment programs, Devereux has been paid an amount less than actual costs due to agency budgetary constraints or other factors. The economic loss attributable to such programs is also included as charity care. Charity care amounts are not included in net service revenue or accounts receivable. The amount of costs incurred for services provided to individuals that qualify for charity care and the economic shortfall attributable to unreimbursed costs of certain programs aggregated \$23,715 and \$15,028 in 2021 and 2020, respectively.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**2. Summary of Significant Accounting Policies (continued)**

Devereux also provides a variety of services and benefits within the communities in which it operates, for which no compensation is received.

**Contributions and Pledges Receivable**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Unconditional promises to give cash and other assets that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. The gifts are reported as gifts, grants, and bequests in net assets with donor restrictions if they are received with donor stipulations that limit the timing or purpose for which donated assets can be used. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statement of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as gifts and bequests in the accompanying consolidated financial statements.

**Recent Accounting Pronouncements**

*Pending Changes*

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The main objective of ASU 2016-13 and related ASUs is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this update are effective for Devereux for fiscal years beginning after December 15, 2022. Devereux is in the process of evaluating the impact of ASU 2016-13 on its consolidated financial statements.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**2. Summary of Significant Accounting Policies (continued)**

**Reclassifications**

Certain reclassifications have been made to 2020 amounts previously reported in order to conform to the current year presentation. These reclassifications had no impact on previously reported net assets.

**Subsequent Events**

In accordance with Accounting Standards Codification 855, *Subsequent Events*, management has evaluated subsequent events through the date the accompanying consolidated financial statements were issued on October 22, 2021.

**3. Net Service Revenue**

**Accounts Receivable and Net Service Revenue**

Net service revenue is reported at the amount that reflects the consideration to which Devereux expects to receive in exchange for providing care. These amounts are due from individuals, third-party payors (including health insurers and government programs), and others and include variable consideration (reductions to revenue) in determining the transaction price.

Devereux uses a portfolio approach to account for categories of payor contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for residential revenue and outpatient and community-based revenue as well as high-balance accounts regardless of payor class. Based on historical collection trends and other analyses, Devereux believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

Devereux's initial estimate of the transaction price for services provided to individuals subject to revenue recognition is determined by reducing the total contracted rates related to the services provided by various elements of variable consideration, including discounts, price concessions, and other reductions to Devereux's contracted rates. The estimates for discounts and price concessions are based on contractual agreements, Devereux's policies, and historical experience.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**3. Net Service Revenue (continued)**

Generally, Devereux bills government agencies and third-party payors on a monthly or weekly basis after the services are performed. Net service revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by Devereux. Net service revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total charges. Devereux believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the services needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residential services, education services, or case management services. Substantially all of its performance obligations relate to contracts with a duration of one year or less.

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to net service revenue in the period of the change. For the years ended June 30, 2021 and 2020, changes in Devereux's estimates of price concessions, discounts, contractual adjustments, or other reductions to expected payments for performance obligations were not material. Portfolio collection estimates are updated based on collection trends. Subsequent changes that are determined to be the result of an adverse change in the individual's ability to pay (determined on a portfolio basis when applicable) are recorded as provision for bad debts. Provision for bad debts for the years ended June 30, 2021 and 2020 was not material.

Devereux has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors and lines of business. Tables providing details of these factors are presented below.

Net service revenue recognized from major payor sources is as follows:

	Year Ended June 30	
	2021	2020
Medicaid	\$ 269,872	\$ 259,684
Social services agencies	130,350	139,056
Educational agencies	78,716	90,095
Private pay	18,346	17,631
Commercial insurance	8,046	9,716
	<u>\$ 505,330</u>	<u>\$ 516,182</u>

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**3. Net Service Revenue (continued)**

Net service revenue by line of business is as follows:

	June 30	
	2021	2020
Campus-based residential/education	\$ 234,758	\$ 243,307
Community-based residential	159,111	148,722
Outpatient/other services	47,998	54,624
Foster care	30,839	34,332
Case management	12,069	13,624
Educational day services	10,504	10,706
Acute care	10,051	10,867
	<u>\$ 505,330</u>	<u>\$ 516,182</u>

**Third-Party Payment Programs**

Settlements with third-party payors for cost report filings and retroactive adjustments due to ongoing and future audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing services. These settlements are estimated based on the terms of the payment agreement with the payor; correspondence from the payor and Devereux's historical settlement activity (for example, cost report final settlements), including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Such estimates are determined through either a probability-weighted estimate or an estimate of the most likely amount, depending on the circumstances related to a given estimated settlement item. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**3. Net Service Revenue (continued)**

During the years ended June 30, 2021 and 2020, Devereux revised estimates made in prior years to reflect the passage of time and the availability of more recent information, such as accounts receivable payor collection trends and cost report settlement activity, associated with the related revenue estimates. For the years ended June 30, 2021 and 2020, the net effect of Devereux's revisions to prior year estimates resulted in net service revenue increasing by approximately \$1,113 and \$2,153, respectively.

The majority of services are rendered to individuals through reimbursement programs administered by state and local governmental agencies, in some cases through a contracted managed care organization.

One government agency accounted for 14% and 12% of net service revenue in 2021 and 2020, respectively; aside from this, no agencies accounted for more than 10% of net service revenue in 2021 or 2020. Under these programs, payments are based upon fee-for-service rates, a combination of historical costs and prospectively determined rates, or reasonable costs, as defined. In total, these programs accounted for 95% of total net service revenue in fiscal years 2021 and 2020. The remaining services are rendered through payment arrangements with managed care organizations, commercial insurance carriers, or private accounts.

Certain governmental agencies pay an interim rate or a fixed periodic amount during the period Devereux provides services and retroactively adjust the payment based upon actual costs incurred during the year or based on actual units of service delivered. Third-party settlements with governmental agencies are accrued on an estimated basis in the period the related services are rendered. Estimated settlements due to third-party payors are classified as current or noncurrent based on the anticipated timing of settlements. Differences between the estimated settlement and the finalized amounts are recorded in the year of settlement or when adjustments become known. In the opinion of management, adequate provision has been made for any additional adjustments that may result from the final settlement of outstanding cost reports.



The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**3. Net Service Revenue (continued)**

Devereux is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Government activity in the health care industry continues to increase with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues of services provided. Devereux has implemented a corporate compliance program and conducts documentation audits of services provided and the underlying clinical documentation to evaluate its compliance with established regulations. When potential overpayments are identified, payors are notified and refunds are issued. While Devereux is currently the subject of certain ongoing reviews and inspections by state and local government agencies, management is not currently aware of any allegations of noncompliance that could have a material adverse effect on the accompanying consolidated financial statements and believes that Devereux is in compliance with applicable laws and regulations in all material respects.

**4. Investments and Liquidity**

Investments are stated at fair value as follows:

	June 30	
	2021	2020
Assets limited as to use and operating fund investments:		
Cash and cash equivalents	\$ 4,342	\$ 4,058
Equity mutual funds	165,694	115,399
Real estate investment trust (REIT) funds	-	10,653
Fixed-income mutual funds	66,438	15,820
Multi-asset funds	9,004	-
Corporate bonds	2,409	11,641
U.S. Government and agency bonds	7,472	9,586
Total	<u>\$ 255,359</u>	<u>\$ 167,157</u>

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**4. Investments and Liquidity (continued)**

Investment income and realized and unrealized gains and losses on investments and cash and cash equivalents are composed of the following:

	<b>Year Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Net assets without donor restrictions</b>		
Amounts included in investment income:		
Interest and dividends	\$ 3,411	\$ 2,536
Net realized gains on sales of investments	18,468	1,680
	<u>21,879</u>	<u>4,216</u>
Net change in unrealized gains on investments in equity securities	31,207	2,382
Other changes in net assets without donor restrictions:		
Net change in unrealized (losses) gains on investments in fixed-income securities	(1,125)	764
<b>Net assets with donor restrictions</b>		
Net realized and unrealized gains on investments	1,748	22
Total investment gain	<u>\$ 53,709</u>	<u>\$ 7,384</u>

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**4. Investments and Liquidity (continued)**

**Liquidity Resources**

The table below presents financial assets and liquidity resources available for general expenditures within one year.

	June 30	
	2021	2020
Financial assets as reported on the accompanying balance sheets:		
Cash and cash equivalents	\$ 41,284	\$ 44,865
Accounts receivable	49,343	59,630
Operating fund investments	57,801	20,702
Assets limited as to use	197,558	146,455
Total financial assets	<u>345,986</u>	<u>271,652</u>
Less amounts not available to be used within one year for general expenditures:		
Assets limited as to use:		
By trustees under bond indenture agreements	1,134	1,588
By donor	17,059	15,860
By insurance agreement	7,000	7,000
Funds held for individuals	3,075	2,349
Financial assets available and liquid to meet general expenditures within one year	<u>\$ 317,718</u>	<u>\$ 244,855</u>
Additional liquidity from available line of credit (Note 10)	<u>\$ 19,117</u>	<u>\$ 30,950</u>

Devereux has certain Board-designated assets limited as to use that are available for general expenditure, subject to Board approval. Assets that are not available for general expenditure within one year in the normal course of operations, including assets limited as to use for donor-restricted purposes, debt agreements, and self-insurance programs, are excluded from the total liquidity balance in the table above.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

### 5. Fair Value Measurements

In determining fair value, Devereux uses the market approach. The market approach utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Information used to establish fair value estimates falls into three tiers that prioritize the inputs used in measuring fair value. These tiers include Level 1 – defined as observable inputs such as quoted prices in active markets; Level 2 – defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 – defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The following tables present the fair value hierarchy for Devereux's financial assets and liabilities measured at fair value on a recurring basis.

	Total	Level 1	Level 2	Level 3
<b>June 30, 2021</b>				
Cash and cash equivalents	\$ 41,284	\$ 41,284	\$ –	\$ –
Assets limited as to use and operating fund investments:				
Cash and cash equivalents	\$ 4,342	\$ 4,342	\$ –	\$ –
Equity mutual funds	165,694	165,694	–	–
Fixed-income mutual funds	66,438	66,438	–	–
Multi-asset fund	9,004	9,004	–	–
Corporate bonds	2,409	–	2,409	–
U.S. Government and agency bonds	7,472	–	7,472	–
Total assets limited as to used and operating fund investments at fair value	\$ 255,359	\$ 245,478	\$ 9,881	\$ –
Beneficial interest in trusts held by third parties, net (Note 8)	\$ 6,011	\$ –	\$ –	\$ 6,011
Liabilities:				
Interest rate swaps	\$ 962	\$ –	\$ 962	\$ –

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**5. Fair Value Measurements (continued)**

	Total	Level 1	Level 2	Level 3
<b>June 30, 2020</b>				
Cash and cash equivalents	\$ 44,865	\$ 44,865	\$ -	\$ -
Assets limited as to use and operating fund investments:				
Cash and cash equivalents	\$ 4,058	\$ 4,058	\$ -	\$ -
Equity mutual funds	115,399	115,399	-	-
REIT funds	10,653	10,653	-	-
Fixed-income mutual funds	15,820	15,820	-	-
Corporate bonds	11,641	-	11,641	-
U.S. Government and agency bonds	9,586	-	9,586	-
Total assets limited as to used and operating fund investments at fair value	\$ 167,157	\$ 145,930	\$ 21,227	\$ -
Beneficial interest in trusts held by third parties, net (Note 8)	\$ 7,400	\$ -	\$ -	\$ 7,400
Liabilities:				
Interest rate swaps	\$ 2,890	\$ -	\$ 2,890	\$ -

The following table sets forth the change in the fair value of financial instruments that are classified as Level 3:

Fair value balance, June 30, 2019	\$ 7,597
Additions	-
Distributions	(590)
Changes in fair value	393
Fair value balance, June 30, 2020	7,400
Additions	-
Distributions	(1,449)
Changes in fair value	60
Fair value balance, June 30, 2021	\$ 6,011

**The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health**

**Notes to Consolidated Financial Statements (continued)**  
*(In Thousands)*

**5. Fair Value Measurements (continued)**

Devereux's Level 1 securities primarily consist of cash, money market funds, equity mutual funds, REIT funds, fixed-income mutual funds, and multi-asset funds. Devereux determines the estimated fair value for its Level 1 securities using quoted (unadjusted) prices for identical assets or liabilities in active markets. Devereux's Level 2 securities primarily consist of corporate and U.S. Government and agency bonds. Devereux determines the estimated fair value for its Level 2 securities using quoted prices for similar assets or liabilities in active markets.

The estimated value of the beneficial interest in trusts held by third parties is determined based on information provided by the trustee, including Devereux's proportional interest in the net assets of the trust. The assets held in trust consist primarily of cash equivalents and marketable securities. The fair value of the interest of trusts held by third parties is measured using the underlying value of the investments, as well as discounted cash flow analysis of the expected cash flow of the trusts, and is reported as Level 3.

Interest rate swaps, which are classified as a Level 2 liability, are valued using present value techniques, including a discounted cash flow analysis on the expected cash flow of the derivatives. This analysis reflects the contractual terms of the derivatives, including the period to maturity and uses observable market-based inputs, including interest rate curves.

**6. Property and Equipment**

	<b>Estimated Useful Lives</b>	<b>June 30</b>	
		<b>2021</b>	<b>2020</b>
Land		\$ 6,364	\$ 6,573
Land improvements	8–25 years	29,259	28,320
Buildings and improvements	5–40 years	265,704	260,992
Equipment	3–20 years	81,307	74,847
		<u>382,634</u>	<u>370,732</u>
Less accumulated depreciation		<u>270,645</u>	<u>259,017</u>
		111,989	111,715
Construction-in-progress		7,876	4,888
		<u>\$ 119,865</u>	<u>\$ 116,603</u>

Depreciation expense was \$15,228 and \$15,072 in 2021 and 2020, respectively.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
*(In Thousands)*

**7. Leases**

Devereux leases certain property and equipment under operating leases. Leases are classified as either finance or operating based on the underlying terms of the agreement and certain criteria, such as the term of the lease relative to the useful life of the asset and the total lease payments to be made as compared with the fair value of the asset, among other criteria. Finance leases result in an accounting treatment similar to acquisition of the asset.

For leases with initial terms greater than a year, Devereux records the related right-of-use assets and liabilities at the present value of the lease payments to be paid over the life of the related lease. Devereux's leases may include variable lease payments and renewal options. Variable lease payments are excluded from the amounts used to determine the right-of-use assets and liabilities unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded from the amounts used to determine the right-of-use assets and liabilities unless Devereux is reasonably certain to exercise the option to extend the lease. The present value of lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which this rate is not readily available, Devereux uses its incremental borrowing rate, reflective of lease term and underlying asset. Devereux has made an accounting policy election to separate lease components from non-lease components in contracts when determining its lease payments, as permitted by ASU 2016-02, *Leases (Topic 842)*. As such, Devereux does not account for the applicable non-lease components together with the related lease components when determining the right-of-use assets and liabilities.

Devereux has made an accounting policy election not to record leases with an initial term of less than a year as right-of-use assets and liabilities.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**7. Leases (continued)**

The following schedule summarizes information related to the lease assets and liabilities as of and for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Lease cost:		
Operating lease cost	\$ 9,772	\$ 10,039
Short-term lease cost	359	337
Total lease cost	<u>\$ 10,131</u>	<u>\$ 10,376</u>
Right-of-use assets and liabilities:		
Right-of-use assets – operating leases	\$ 20,296	\$ 23,058
Lease liability – operating leases	20,878	23,389
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 9,880	\$ 10,045
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 5,768	\$ 4,337
Weighted average remaining lease term – operating leases	3.26	3.31
Weighted average discount rate – operating leases	3.57%	4.18%

For operating leases, right-of-use assets are recorded in operating lease assets, net and lease liabilities are recorded in operating lease liability, current and noncurrent on the accompanying consolidated balance sheets.



The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**7. Leases (continued)**

The following table reconciles the undiscounted lease payments to the lease liabilities recorded on the accompanying consolidated balance sheet at June 30, 2021:

	<u>Operating Leases</u>
2022	\$ 7,534
2023	5,229
2024	3,702
2025	2,517
2026	2,055
Thereafter	<u>1,480</u>
Total lease payments	22,517
Less imputed interest	<u>(1,639)</u>
Total lease obligation	20,878
Less current portion	<u>(7,390)</u>
Long-term portion	<u>\$ 13,488</u>

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**8. Pledges Receivable and Deferred Gifts**

The following is a summary of pledges receivable:

	June 30	
	2021	2020
Pledges receivable and deferred gifts in:		
Less than one year	\$ 79	\$ 192
One to five years	3,213	3,439
	3,292	3,631
Less allowance for uncollectible accounts	-	(180)
Less discount to present value	(27)	(261)
Pledges receivable, net	3,265	3,190
Beneficial interest in trusts held by third parties, net	6,011	7,400
Total	\$ 9,276	\$ 10,590

The present value of the future cash flows of pledges receivable was determined using discount rates approximating 2.0% for 2021 and 2020.

Devereux periodically receives indications of an intention to give from individuals through the settlement of the individuals' estates. The anticipated value of these intended gifts has not been established, nor has it been recognized as an asset on the consolidated balance sheets, unless the gifts are irrevocable.

The beneficial interests in trusts are unconditionally designated for the benefit of Devereux upon the occurrence of some future event. The interests are recorded at fair value as represented by the third-party trustee.

The Devereux Foundation and Controlled Entities  
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Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**9. Long-Term Debt**

	June 30	
	2021	2020
\$18,225 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2016 (the 2016 Pennsylvania Bonds)	\$ 13,980	\$ 15,105
3.20% to 6.22% mortgages payable monthly through November 2029, secured by the related properties, equipment, or revenue	5,136	5,299
\$6,580 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2011 (the 2011 Pennsylvania Bonds)	2,639	3,056
\$8,745 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2012 (the 2012 Pennsylvania Bonds)	4,433	5,013
\$7,054 tax-exempt Colorado Health Facilities Authority Revenue Bonds, Series of 2012 (the 2012 Colorado Bonds)	1,745	1,949
\$9,000 taxable borrowing from a bank (the 2013 Loan)	4,675	5,744
\$5,000 taxable borrowing from a bank (the 2015 Loan)	4,180	4,325
\$20,000 taxable borrowing from a bank (the 2020 Loan)	19,314	19,864
Total long-term debt	<u>56,102</u>	<u>60,355</u>
Less current portion	(6,033)	(4,203)
Less deferred financing costs	(806)	(841)
Net original issue premium	959	1,180
Net long-term debt	<u>\$ 50,222</u>	<u>\$ 56,491</u>

In February 2020, Devereux entered into an agreement with a bank to borrow \$20,000 in variable-rate debt (the 2020 Loan) to finance certain capital expenditures. The 2020 Loan has a 25-year amortization schedule but grants the bank an option to put the loan to Devereux after 15 years (2035). Devereux can request up to two extensions of the maturity date by no more than five years per extension. Concurrent with the 2020 Loan, Devereux entered into a 15-year interest rate swap agreement with an original notional amount of \$20,000 (current notional amount of \$19,314) that effectively fixes the interest rate at 2.884%.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
*(In Thousands)*

**9. Long-Term Debt (continued)**

In October 2016, Devereux issued the 2016 Pennsylvania Bonds to refinance previously issued bonds. The 2016 Pennsylvania Bonds were sold at an original issue premium of \$2,233, which resulted in an effective interest rate of 2.74% over the life of the bonds. The 2016 Pennsylvania Bonds mature over a 15-year period.

In February 2015, Devereux entered into an agreement with a bank to borrow \$5,000 in fixed-rate debt (the 2015 Loan) to finance certain capital expenditures. The 2015 Loan matures over a 25-year period, and the bank has the option to put the loan to Devereux after 10 years (February 12, 2025). The interest rate is currently fixed at 4.214% for ten years, after which it will reset at the then current rate if the bank does not exercise its put option.

In July 2013, Devereux entered into an agreement with a bank to borrow \$9,000 in variable-rate debt (the 2013 Loan) that was used to currently refund previously issued bonds and finance certain capital expenditures. The 2013 Loan, as amended, matures over a 15-year period; however, on July 1, 2025, the bank has the option to put the loan to Devereux. Concurrent with the 2013 Loan, Devereux entered into a 15-year interest rate swap with an original notional amount of \$8,393 (current notional amount of \$5,222) that effectively fixes the interest rate at 5.028%.

The 2012 Pennsylvania Bonds and 2012 Colorado Bonds were issued to refinance previously issued tax-exempt debt. All of the bonds were acquired by a financial institution. The bonds mature over a 15-year period, and the financial institution had an option to put the bonds after 7 years (original date of November 1, 2019). However, at certain advance dates, Devereux can request one-year extensions to the put option date. As a result of approved extensions, the current put option date is November 1, 2022. The 2012 Pennsylvania Bonds and 2012 Colorado Bonds bear interest at a fixed rate, subject to a rate reset after 12 years if the bonds are not called by the financial institution.

The 2011 Pennsylvania Bonds were issued to refinance previously issued tax-exempt debt. All of the bonds were acquired by a financial institution. The 2011 Pennsylvania Bonds bear interest at a variable rate equal to 65.00% of the one-month London Interbank Offered Rate (LIBOR), plus a margin of 1.40%. The rate on the bonds at June 30, 2021 was 1.465%. The bonds mature over a 15½-year period, and the financial institution had an option to put the bonds after 7 years (original date of December 15, 2018). However, at certain advance dates, Devereux can request one-year extensions to the put option date. As a result of approved extensions, the current put option date is December 15, 2021.

**The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health**

**Notes to Consolidated Financial Statements (continued)**  
*(In Thousands)*

**9. Long-Term Debt (continued)**

All of the tax-exempt bonds and the 2013, 2015, and 2020 Loans were issued under a Master Trust Indenture (MTI) for which Devereux, HD Foundation, and DCW represent the obligated group. They are secured by an interest in gross revenues, as defined. Agreements related to the Revolving Credit Agreement (see Note 10) and the debt issued under the MTI contain financial covenants requiring Devereux to maintain debt service coverage and liquidity ratios. All such ratio covenants were complied with as of and for the years ended June 30, 2021 and 2020.

Original issue premiums or discounts on bonds are amortized using the interest method over the term of the related debt.

Other information relating to each of the bonds, all of which have serial and term components, is as follows:

	<b>2020 Loan</b>	<b>2016 Pennsylvania Bonds</b>	<b>2015 Loan</b>
Scheduled principal payments	Quarterly	November 1	Monthly
Year of final maturity (if not put)	2045	2031	2040
Range of principal and/or sinking fund payments	\$141 to \$207	\$100 to \$1,735	\$151 to \$308
Interest payment dates	Monthly	May 1 and November 1	Monthly
Range of interest rates	2.884%	3.00% to 5.00%	4.214%
	<b>2013 Loan</b>	<b>2012 Pennsylvania Bonds</b>	<b>2012 Colorado Bonds</b>
Scheduled principal payments	July 1	November 1	November 1
Year of final maturity (if not put)	2028	2027	2027
Range of principal and/or sinking fund payments	\$575 to \$769	\$593 to \$675	\$167 to \$314
Interest payment dates	Monthly	May 1 and November 1	May 1 and November 1
Range of coupon interest rates	5.028%	2.15%	2.28%

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**9. Long-Term Debt (continued)**

	2011 Pennsylvania Bonds
Scheduled principal payments	May 1
Year of final maturity (if not put)	2027
Range of principal and/or sinking fund payments	\$427 to \$454
Interest payment dates	May 1 and November 1
Range of coupon interest rates	Variable

Scheduled maturities of all long-term debt for the next five years and thereafter ending June 30 are as follows:

2022	\$	6,033
2023		4,596
2024		4,114
2025		5,059
2026		4,240
Thereafter		32,060

Interest paid on all indebtedness amounted to \$2,446 and \$2,188 in 2021 and 2020, respectively.

**10. Line of Credit**

Devereux has a bank Revolving Credit Agreement (Revolver) with a maximum borrowing limit of \$39,000, which is available for working capital and letters of credit. The Revolver expires November 30, 2021, although management expects to extend the Revolver beyond that date. The Revolver is secured by a parity lien on gross revenues as defined under the MTI (see Note 9). Interest on working capital loans accrues at the one-month LIBOR plus an applicable margin of 1.00%. At June 30, 2021 and 2020, no working capital loans were outstanding. At June 30, 2021, letters of credit aggregating \$19,883 were used to secure deductibles under insurance policies (see Note 15). Fees on outstanding letters of credit accrue at 1.00% at June 30, 2021 and 2020. A commitment fee of 0.15% is paid on unused Revolver amounts.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**11. Obligation to Provide Future Services and the Use of Facilities to Continuing Care Individuals**

Devereux is contractually obligated to provide care for life to certain individuals. The obligation, which recognizes the future costs to be incurred under these continuing care contracts, was computed using the following assumptions: annual cost of care based on actual operating costs; life expectancy; an inflation factor of 5.25% and 5.00% of the average annual operating cost for 2021 and 2020, respectively; a discount rate of 5.50% for 2021 and 2020; and a reduction for any supplemental payments, including Social Security, which is assumed to increase 2.00% annually, received on behalf of the individuals for 2021 and 2020.

As of June 30, 2021, there were 17 individuals covered by continuing care contracts or similar arrangements.

Devereux also recognizes the present value of certain arrangements with several continuing care residents under which Devereux is the beneficiary of the assets of trusts established on behalf of the residents.

The present value of the components of the obligation follows:

	June 30	
	2021	2020
Gross liability	\$ 18,139	\$ 14,676
Social Security and other benefits	(8,398)	(8,337)
Future trust interests	(1,011)	(815)
	<u>\$ 8,730</u>	<u>\$ 5,524</u>

**The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health**

**Notes to Consolidated Financial Statements (continued)**  
*(In Thousands)*

**12. Retirement Plan**

Devereux has a defined contribution retirement plan covering all eligible employees under which the Teachers Insurance and Annuity Association serves as Trustee. All employees are eligible to make tax deferred contributions immediately after hire. To be eligible for an employer contribution, an employee hired before January 1, 2019, must have completed two years of service, work a minimum of 1,000 hours annually, and be actively employed at the end of the plan year (December 31). Employer contributions to the plan for this group are generally based on 5% of the employee's compensation, plus a match of employee contributions up to 2% of compensation. Employees hired on or after January 1, 2019, upon meeting the plan's eligibility requirements, receive employer contributions equal to 3% of the employee's compensation upon completion of one year of service. Matching contributions for this group are discretionary. Employer contributions are made annually each January and are charged to expense as earned. Contribution expense was \$10,966 and \$9,444 in 2021 and 2020, respectively.

**13. Net Assets With Donor Restrictions**

Net assets with donor restrictions are as follows:

	<b>June 30</b>	
	<b>2021</b>	<b>2020</b>
Purchase of property and equipment	\$ 672	\$ 699
Behavioral health care and education services	5,518	4,978
Research	1,410	1,341
Other	1,373	2,365
Pledges receivable and deferred gifts	9,276	10,590
Permanent endowments – to be maintained in perpetuity	7,994	6,453
	<b>\$ 26,243</b>	<b>\$ 26,426</b>

During 2021 and 2020, \$3,741 and \$3,642, respectively, of net assets with donor restrictions were released from restrictions for operations, of which \$1,488 and \$2,099, respectively, related to the collection of previous pledges and deferred gifts, which did not include a purpose restriction. The collected pledges and deferred gifts amounts are classified as a component of gifts and bequests without restrictions on the consolidated statements of operations and changes in net assets.



The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**13. Net Assets With Donor Restrictions (continued)**

Activity in Devereux's permanent endowments is as follows:

	June 30	
	2021	2020
Endowment balance at beginning of year	\$ 6,453	\$ 6,672
Investment income return:		
Investment income	155	131
Realized and unrealized gains	1,748	22
Total investment income return	1,903	153
Contributions	2	1
Appropriation of endowment assets for intended purpose	(364)	(373)
Endowment balance at end of year	<u>\$ 7,994</u>	<u>\$ 6,453</u>

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**14. Functional Expenses**

Devereux and its members' primary mission is to provide behavioral health care, education, and child welfare services to the individuals it serves. Expenses related to providing these services included on the consolidated statements of operations and changes in net assets are as follows:

	Program Services	General and Administrative	Fundraising	Total
<b>Year ended June 30, 2021</b>				
Salaries and wages	\$ 288,779	\$ 40,524	\$ 1,284	\$ 330,587
Employee benefits	74,276	10,916	285	85,477
Food	7,543	161	-	7,704
Purchased services	26,170	10,928	59	37,157
Supplies	10,502	663	7	11,172
Plant operation and maintenance	26,919	2,943	128	29,990
Depreciation and amortization	14,074	1,249	4	15,327
Interest	2,424	-	13	2,437
Insurance	33,964	86	-	34,050
Other	5,200	1,069	459	6,728
	<b>\$ 489,851</b>	<b>\$ 68,539</b>	<b>\$ 2,239</b>	<b>\$ 560,629</b>
<b>Year ended June 30, 2020</b>				
Salaries and wages	\$ 275,753	\$ 44,077	\$ 1,234	\$ 321,064
Employee benefits	63,458	10,824	247	74,529
Food	7,850	293	6	8,149
Purchased services	35,147	3,046	83	38,276
Supplies	9,797	760	90	10,647
Plant operation and maintenance	24,502	4,157	130	28,789
Depreciation and amortization	13,160	1,987	5	15,152
Interest	2,241	-	7	2,248
Insurance	17,961	286	-	18,247
Other	9,600	792	123	10,515
	<b>\$ 459,469</b>	<b>\$ 66,222</b>	<b>\$ 1,925</b>	<b>\$ 527,616</b>

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
(In Thousands)

**15. Commitments and Contingencies**

**Workers' Compensation**

Devereux maintained workers' compensation insurance with a per-claim deductible of \$750 for 2021 and 2020. Due to this level of retention, Devereux maintains \$682 of cash on deposit with its insurers for the payment of future claims, which is included in operating fund investments on the consolidated balance sheets. Additionally, Devereux posted letters of credit of \$19,883 and \$8,050 as collateral for its obligations as of June 30, 2021 and 2020, respectively (see Note 10). The increase in collateral resulted from a change in carriers effective at the beginning of 2021. Based upon historical loss experience, management determined that a \$10,178 and \$9,481 liability for the estimated retention and costs of claims not settled as of June 30, 2021 and 2020, respectively, be recorded as a component of reserves under insurance programs and other liabilities on the consolidated balance sheets.

**Professional and General Liability**

Devereux is insured under a claims-made policy for professional liability and an occurrence policy for general liability. Devereux retained \$6,000 for 2021 and 2020 in aggregate deductibles (\$2,000 for 2021 and 2020 for any individual claims) related to the combination of professional and general liability coverage. Due to this level of retention, Devereux was required to post \$7,000 of aggregate collateral using an insurance trust holding U.S. Government and agency and corporate bonds. Based upon historical loss experience, management determined that a \$67,333 and \$30,342 liability for the estimated retention and cost of claims and incidents not settled and claims incurred but not reported as of June 30, 2021 and 2020, respectively, be recorded as a component of reserves under insurance programs and other liabilities on the consolidated balance sheets. The increase from June 30, 2020 resulted from a material increase in claim activity in 2021, including \$27,843 related to new claims associated with operating activities in prior years and the revaluation of prior year claims. Devereux plans to continue to obtain adequate professional and general liability insurance. Devereux has recorded related insurance recoveries receivables included in other assets on the consolidated balance sheets of \$15,585 and \$3,982 at June 30, 2021 and 2020, respectively, in consideration of the expected insurance recoveries.

The Devereux Foundation and Controlled Entities  
d/b/a Devereux Advanced Behavioral Health

Notes to Consolidated Financial Statements (continued)  
*(In Thousands)*

**15. Commitments and Contingencies (continued)**

**Litigation**

Litigation pending against Devereux includes certain claims arising in the normal course of its activities. Based on the information presently available to Devereux, management believes that the probable recoveries and estimated costs and expenses of defense of ongoing litigation, after application of any available insurance coverage, will not have a material adverse effect on Devereux's operations or financial condition beyond the amounts that have already been recognized in the accompanying consolidated financial statements.

**Refundable Advance – PPP Loan**

On May 5, 2021, Devereux received loan proceeds in the amount of \$10,000 pursuant to the Paycheck Protection Program (PPP) established as part of the CARES Act. Under the terms of the PPP, loan proceeds and accrued interest are forgivable if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and if the recipient maintains its payroll levels over a specified period of time as described in the CARES Act. Any unforgiven portion of the loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first ten months after the end of the loan covered period. Management intends to utilize loan proceeds for purposes consistent with the PPP and believes substantially all of the loan will be forgiven, though it is reasonably possible that conditions could arise that would make Devereux ineligible for forgiveness of the loan, in whole or in part. Accordingly, at June 30, 2021, funds received of \$10,000 are recorded as a refundable advance on the consolidated balance sheet.

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**DEVEREUX ADVANCED BEHAVIORAL HEALTH  
BOARD OF TRUSTEES**

Member	Residence	Position	Occupation	Year Elected	Term Expires
Christopher D. Butler	[REDACTED]	Chair	Retired Chief Operating Officer, Independence Blue Cross; Board Chair, Clarity Software Solutions, Inc; Board of Directors, Independence Health Group; Self Employed Consultant	2006	11/21
Clarence D. Armbrister, Esq.	[REDACTED]	Vice-Chair	President, Johnson C. Smith University	2013	11/22
Francis "Skip" Genuardi	[REDACTED]	Vice-Chair	Retired. Former Owner/Shareholder of Genuardi's Family Markets. Former Chairman of the Board.	19992	11/23
Hank Booth	[REDACTED]	Trustee	Manager, Customer Solutions eCommerce, The Coco-Cola Company	2021	11/24
Carl Clark II	[REDACTED]	Trustee	President & CEO, Devereux	2018	N/A
Robert Ellis, Esq.	[REDACTED]	Trustee	General Counsel at Verition Fund Management LLC	2004	11/22
John Gustafsson	[REDACTED]	Trustee	Retired lawyer. Commissioner, New York City Landmarks Preservation Commission; Independent Consultant - Non-profit Governance.	2013	11/22
Elizabeth Hirsch	[REDACTED]	Trustee	Retired executive of Praxair, Inc.	2019	11/22
Lisa McCann	[REDACTED]	Trustee	Retired. Former Principal at The Vanguard Group	2017	11/23
Jamie Nelson	[REDACTED]	Trustee	Sr. Vice President & Chief Information Officer, Hospital for Special Surgery	2021	11/24
Shaye Schloss	[REDACTED]	Trustee	Devereux parent; retired pre-school, kindergarten teacher.	2015	11/21

Mailing  
for  
c/o  
Advanced

James H. Schwab	[REDACTED]	Trustee	Strategic advisor and consultant. Retired President of VICE Media.	2001	11/23
Jane Taylor	[REDACTED]	Trustee	Visual artist	2017	11/23
K. Lisa Yang	[REDACTED]	Trustee	Retired Investment Banker, Investec	2008	11/23

address  
Trustees:  
Devereux

Behavioral Health, 444 Devereux Drive, Villanova, PA 19085

10/6/2022

**Rachel Schein, Psy.D., HSP**  
**Licensed Clinical Psychologist – MA #10611, RI #PSO1671**  
**Licensed Mental Health Counselor – MA #8305**



**EDUCATION**

- 8/2006- 12/2012      **University of Hartford, Graduate Institute of Professional Psychology**  
West Hartford, CT  
Doctoral Program in Clinical Psychology – Child & Adolescent Proficiency Track  
American Psychological Association Accredited  
Doctor of Psychology – awarded January 2013  
Master of Arts in Clinical Practices – awarded September 2008  
Dissertation Title: Mental Health and Mental Illness in Adolescence:  
A Training Program for Youth Workers
- 8/2002 – 5/2006      **Muhlenberg College**  
Allentown, Pennsylvania  
Bachelor of Arts, Major in Psychology

**CLINICAL EXPERIENCE**

- 7/2017 – Present      **Devereux Advanced Behavioral Health - Massachusetts & Rhode Island**  
Rutland, MA  
Position: Coordinator of Diagnostic Service and Clinical Training
- Responsible for coordination, expansion, and supervision of diagnostic and assessment services across campus
  - Oversee the guardianship application process for young adults in care with complex mental health needs and/or neurodevelopmental disorders (IDD, ASD)
  - Member of the psychology training committee – assist with obtaining APA accreditation (awarded for 10 years), coordination of training for practicum students, supervision of doctoral interns and practicum students, and teaching/coordination of didactic seminars
  - Work collaboratively with other departments to coordinate clinical training topics throughout the agency; plan clinical retreats; facilitate opportunities for professional development for clinical staff
  - Provide supervision to Doctoral Interns, Post- Doctoral clinicians, staff clinicians, and practicum students.
  - Member of the Clinical Leadership Team
  - Serve in the Administrator on Call rotation for agency
  - Responsible for oversight of clinical outcomes assessment work group
  - Provide training and education for interns, clinical staff, and direct care staff on a variety of topics, including, but not limited to, psychological assessment, developmental trauma and trauma informed care, ethics, DBT, boundaries, and differential diagnosis.
  - Primary clinical author of agency application for the 2021 MA DCF RFR
  - Intensively trained in Dialectical Behavior Therapy (DBT) through Behavior Tech, LLC.
  - Conduct comprehensive diagnostic and triennial evaluations
  - Certified Risking Connections Trainer – lead trainer for the agency as of 2017
  - Participate in the development and expansion of DBT programming across campus



- Participate in interviewing of potential candidates for clinical positions
- Participate in permanency practice work group for agency

8/2011 – Present

**Mental Health and Inclusion Consultant**

- Work with synagogues, camps, and community agencies to provide screening and consultative services regarding children with mental health, emotional, social, behavioral, developmental and learning needs.
- Communicate with parents and providers regarding student's individual difficulties and goodness of fit with programs.
- Provide consultation, observation, and training for staff regarding inclusion of students with mental health, behavioral, and learning difficulties
- Provide ongoing supervision and training to inclusion staff
- Certified Youth Mental Health First Aid Trainer
- Serve as program coordination for *Gateways - Access to Jewish Education - Mental Health* grant funded training series

9/2017 – 9/2019

**Attention, Behavior, & Cognition**

Holden, MA

Position: Licensed Clinical Psychologist

- Conduct comprehensive psychological assessment for children, adolescents, and adults at a small group practice
- Specializations include autism assessment, trauma assessment, complex social, emotional, and behavioral difficulties, and diagnostic clarification.

2/2015 – 7/2017

**Devereux Advanced Behavioral Health - Massachusetts & Rhode Island**

Rutland, MA

Position: Clinical Program Supervisor – Diagnostic Services & Day School

- Responsible for coordination, expansion, and supervision of diagnostic and assessment services across campus
- Oversee clinical services in therapeutic day school
- Conduct comprehensive diagnostic and triennial evaluations
- Attend formal training in the administration of the ADOS-2 through WPS
- Member of the psychology training committee – assist with APA accreditation project, coordination of training, supervision of interns, and teaching/coordinating didactic seminars
- Provide supervision to Pre-Doctoral Interns and staff clinicians
- Member of the Clinical Leadership Team – providing training, support, and oversight of the clinical department
- Serve in the Administrator on Call rotation for agency.
- Provide training and education for interns and clinical staff on a variety of topics, including, but not limited to, psychological assessment, developmental trauma and trauma informed care, ethics, and differential diagnosis.
- Intensively trained in Dialectical Behavior Therapy (DBT) through Behavior Tech, LLC.
- Certified Risking Connections Trainer
- Participate in the development and expansion of DBT programming across campus
- Provide training for all staff during orientation period on boundaries and working with traumatized students
- Participate in interviewing of potential candidates for clinical positions

5/2013 – 2/2015

**Devereux Advanced Behavioral Health - Massachusetts & Rhode Island**  
Rutland, MA

Position: Post-Doctoral Clinician

- Responsible for coordination of Pre-Doctoral internship training program and supervision of two Pre-Doctoral Interns
- Responsible for the clinical care and treatment of adolescent males currently residing in an intensive group home.
- Provide training and education for interns and other clinical staff on a variety of topics, including, but not limited to, psychological assessment, developmental trauma and trauma informed care, ethics, and differential diagnosis.
- Intensively trained in Dialectical Behavior Therapy (DBT) through Behavior Tech, LLC.
- Coordinate diagnostic services across campus and conduct comprehensive diagnostic and triennial evaluations
- Provide trauma informed care utilizing empirically based treatment methodology in individual, group, and family therapy settings.
- Work as part of a team with other clinicians, residential staff, nurses, education professionals, and psychiatrists to ensure needs of all students are met.
- Develop group curriculums focused on anger management, emotion regulation, sexual education, and coping with traumatic events.
- Participate in the development and expansion of DBT curriculum in Boy's Program across campus
- Provide training for all staff during orientation period on boundaries and working with traumatized students
- Participate in interviewing potential candidates for clinical positions

8/2011 – 6/2015

**Camp Chazak: A Program of URJ Eisner & Crane Lake Camps**

A one week summer camp program for children with special needs

Position: Co-Director

Great Barrington, MA

- Assist in the development and running of a one week overnight summer camp for children with social and emotional difficulties
- Conduct screening interviews with children and families to determine appropriate fit for camp
- Develop schedule of activities, both therapeutic and general, for children to participate in
- Provide training and supervision to 10 college level counselors on social emotional functioning, behavior management, and development in children and adolescents
- Create accommodations for each camper to help meet their needs and ensure full participation in the daily activities of camp

9/2012 – 5/2013

**Community HealthLink Youth and Family Services**

Worcester, Massachusetts

Position: Post-Doctoral Clinician

- Conduct individual and family therapy with children, adolescents, adults, and families.
- Engage in tasks necessary for management of cases, including completion of comprehensive clinical assessments, treatment planning, and consultation with schools, other behavioral health providers, and DCF
- Member of the Victims Services team, providing therapeutic services to victims of domestic violence, abuse, family members of homicide victims, and all other types of trauma

- Participate in training in Trauma Focused Cognitive Behavior Therapy (TF-CBT), carry out model, and attend monthly coaching sessions
- Participate in training in Attachment, Self-Regulation, and Competency (ARC) model, carry out model, and attend monthly coaching sessions
- Participate in weekly clinical and team meetings
- Attend weekly supervision

9/2011 – 8/2012

**Community HealthLink Youth and Family Services**

APA Accredited Pre-Doctoral Psychology Internship

Worcester, Massachusetts

Position: Pre-Doctoral Psychology Intern

- Conduct individual and family therapy with children, adolescents, adults, and families.
- Conduct comprehensive psychological evaluations including intellectual, personality, and comprehensive diagnostic assessment
- Engage in tasks necessary for management of cases, including completion of comprehensive clinical assessments, treatment planning, and consultation with schools, other behavioral health providers, and DCF
- Member of the Victims Services team, providing therapeutic services to victims of domestic violence, abuse, family members of homicide victims, and all other types of trauma
- Participate in training in Trauma Focused Cognitive Behavior Therapy, carry out model, and attend monthly coaching sessions
- Attend weekly seminars on on clinical topics, family systems intervention, and psychological assessment
- Participate in weekly clinical and team meetings
- Attend four hours of weekly supervision

**RESEARCH AND TEACHING EXPERIENCE**

9/2021 – Present

Adjunct Professor

Assumption University, Worcester, MA

- Develop curriculum for and teach courses in the undergraduate psychology program
- Coursed taught: Abnormal Psychology, Forensic Psychology

9/2021 – Present

Adjunct Professor

Pepperdine University, Online program

- Teach courses in the online graduate program

8/2021 – Present

Adjunct Professor

Southern New Hampshire University, Manchester, NH

- Teach undergraduate & graduate psychology courses in the online program

2/2021 – Present

Adjunct Professor

University of Hartford, West Hartford, CT

- Develop curriculum for and teach Child Psychotherapy course in the School Psychology graduate program

6/2015 – 5/2021

Adjunct Professor

Becker College, Worcester, MA

- Develop curriculum for and teach a variety of classes for the Undergraduate Accelerated Learning program and Masters in Mental Health Counseling program

- Classes taught: Psychological Assessment (graduate), Human Growth and Development, Counseling Children, Understanding Diversity, Writing for Psychology, Cognitive Psychology, Criminal Minds, Correctional Psychology; Introduction to Psychology, Abnormal Psychology, Counseling Theory & Practice, Group Counseling

9/2008 – 12/2010 Teaching Assistant: Psychological Assessment III & Advanced Psychopathology  
University of Hartford Graduate Institute of Professional Psychology

## PROFESSIONAL AFFILIATIONS

8/2006 - Present American Psychological Association – Member  
11/2006 - Present DIV53 - Society of Clinical Child and Adolescent Psychology – Member  
9/2020 – Present DIV 53 - Acute, Inpatient, Residential Special Interest Group - Secretary  
11/2018 – Present DIV 12 – Society for Clinical Psychology – Member of mentorship committee  
8/2019 – Present DIV 56 – Trauma Psychology - Member

## PAPERS

Dale, L.P., O'Hara, E.A., Schein, R., Inserra, L., Keen, J., Porges, S. (2011). Measures of infant behavioral and physiological state regulation predict 54-month behavior problems. *Infant Mental Health Journal*, 32:4, 473-486. doi:10.1002/imhj.20306

Dale, L.P., Carroll, L.E., Galen, G., Schein, R., Bliss, A., Mattison, A. M., Neace, W. P. (2011). Yoga practice may buffer the deleterious effects of abuse on women's self-concept and dysfunctional coping. *Journal of Aggression, Maltreatment, and Trauma*, 20:1, 90-102. doi:10.1080/10926771.2011.548005

## WORKSHOP PRESENTATIONS

Presenter, Child Welfare Institute, Where to start & What to ask: Understanding Psychological Assessment, Virtual training, October 2021

Presenter, ADVANCED Training Collaborative workshop on Trauma Informed Care, Worcester, MA, March 2020

Guest Lecturer, Overview of Dialectical Behavior Therapy: Clinical Applications, University of Hartford, Hartford, CT, October 2019

Presenter, ADVANCED Training Collaborative workshop on Introduction to Dialectical Behavior Therapy: Clinical and Milieu Interventions, Worcester, MA, September 2019

## POSTER PRESENTATIONS

Warhol, A. & Schein, R. (2019, August). The effectiveness of DBT with adolescent males in a residential facility. Poster presentation at the 2019 convention of the American Psychological Association, Chicago, IL.

Schein, R., Warhol, A., & Conneely, B. (2019, April). The effectiveness of DBT with adolescent males in a residential facility. Poster presentation at the 63<sup>rd</sup> Conference of the Association of Children's Residential Centers, New Orleans, LA.

Dale, L.P., Schein, R., Inserra, L., & Porges, S.W. (2007, November). Effects of mother-child interaction on child and maternal well-being. Poster presentation at the 21st Annual Connecticut Psychological Association Convention, Windsor, CT.

- Dale, L.P., Inserra, L., Schein, R., & Porges, S.W. (2007, November). Family Environment as a Mediator Variable in Predicting Child Behavior Problems. Poster presentation at the 21st Annual Connecticut Psychological Association Convention, Windsor, CT.
- Dale, L.P., Galen, G., Bliss, A., Maher, A., Schein, R., DiLoreto, J., Ruzansky, B., & Matacin, M.L. (2007, November). Experience with Yoga Relates to Improved Mood, Self-Concept, and Coping. Poster presentation at the 21st Annual Connecticut Psychological Association Convention, Windsor, CT.
- Dale, L.P., Galen, G., Wawrzyniak, K., Maher, A., Schein, R., Klein, J., Matacin, M.L., & Porges, S.W. (2007, November). Yoga Practice is Related to Psychological Wellbeing and may Buffer the Deleterious Effect on Self-Concept of Earlier Child Abuse. Poster presentation at the 21st Annual Connecticut Psychological Association Convention, Windsor, CT.
- Dale, L.P., Galen, G., Wawrzyniak, K., Maher, A., Schein, R., Klein, J., Matacin, M.L., & Porges, S.W. (2007, June). Yoga Practice is Related to Psychological Wellbeing and may Buffer the Deleterious Effect on Self-Concept of Earlier Child Abuse. Poster presentation at the 18<sup>th</sup> annual International Trauma Conference, Boston, MA.
- Dale, L.P., Galen, G., Bliss, A., Maher, A., Schein, R., DiLoreto, J., Ruzansky, B., & Matacin, M.L. (2007, May). Experience with Yoga Relates to Improved Mood, Self-Concept, and Coping. Poster presentation at the 19<sup>th</sup> annual convention of the Association for Psychological Science, Washington, D.C.
- Dale, L.P., Schein, R., Inserra, L., & Porges, S.W. (2007, March). Effects of mother-child interaction on child and maternal well-being. Poster presentation at the annual conference of the Eastern Psychological Association, Philadelphia, PA.

Updated: December 2021

Jennifer Darrell



Profile:

- 15 years employed in residential treatment facilities working with adolescent boys and girls with varying diagnoses.
- 10 years of extensive management experience within schools and residential settings and valuable experience managing a large staffing team

Professional Experience:

March 2018- Current

**Residential Director**

Responsible for the overall development, administration and operations of the ASD and DBT Residential programs.

- Program Administrator: Administrative oversight of residential programs serving individuals with mental health/behavioral and autism/intellectual disabilities diagnoses. Supervise hiring managers, review of resumes including conducting interviews for various positions. Administrative oversight of Case managers for relevant programs.
- Staff Training, Development and Supervision: Conduct trainings for new and current staff as certified. Conduct weekly supervision with all supervisees in line with Devereux expectations
- Program Development and Implementation: Facilitate and apply critical thinking and analysis, in collaboration with licensed clinicians, for clients' treatment during weekly milieu meetings and quarterly treatment review.
- Oversee operations of four residential programs (40 beds combined) with thirty-eight staff in the division.
- Develops and implements the overall Residential Program to meet the individual needs of all clients within guidelines of the Licensing Body.
- Serving as a member of the interdisciplinary team of the Rutland campus, and has overall accountability for all aspects of client care.
- Ensuring a non-threatening nurturing environment where clients are free to express themselves in an appropriate manner and are given support and respect, as well as, re-direction when necessary.
- Being a positive role model for staff, and establish and maintain open lines of communication.
- Integral in communication among families/community/licensing body/agencies.
- Selection of staff, as well as, in scheduling staff for the home unit.
- Oversees client and unit financial accounts.
- Member of the Senior Management team.

**November 2016- March 2018**

**Program Director- Intensive Group Home  
Devereux Advanced Behavioral Health**

Responsible for programmatic oversight of a girls Intensive Group Home with a treatment focus in Dialectical Behavior Therapy

- Responsible for managing budget and fiscal oversight of program.
- Ensure Program is in compliance with licensing standards and Massachusetts laws and regulations
- Design and implement program Quality Improvement goals.
- Oversee the supervision of all staff and ensure that progress is made towards professional development goals.
- Ensure that a safe and therapeutic milieu is maintained for all students at all times.

**April 2012- October 2016**

**Program Director- STARR  
Wayside Youth and Family, Framingham, MA**

Responsible for programmatic oversight regarding all aspects of residential treatment facility for adolescent females in addition to responsibilities listed below as Assistant Program Director.

- Responsible for managing budget and fiscal oversight of program.
- Ensure Program is in compliance with licensing standards and Massachusetts laws and regulations
- Design and implement program Quality Improvement goals.
- Oversee the supervision of all staff and ensure that progress is made towards professional development goals.
- Lead the Program Administrative team in collaboration of all aspects of clients treatment

**April 2010- April 2012**

**Assistant Program Director- STARR  
Wayside Youth and Family, Framingham, MA**

Responsible for programmatic oversight of a 13-bed residential treatment facility for adolescent females.

- Responsible for direct supervision of program staff and supervisors.
- Responsible for on-call duties.
- Responsible for case management of clients, including treatment plan updates.
- Responsible to help lead and facilitate weekly staff meetings
- Responsible to ensure that program Quality Improvement goals are being met.

**2004- September 2006**

**Lead Teacher, Germaine Lawrence Inc., Arlington, MA**

Responsible for managing the school team in addition to special education teaching responsibilities.

- Active member of the programs administrative and treatment team as the school representative
- Responsible for directly supervising one teacher and two teaching assistants
- Developed and reported on quarterly school team goals
- Responsible for leading weekly school team meetings
- Implemented Planned Parenthood Sexual Education Curriculum within the program and Trained staff members across campus on how to speak to clients about sexual health topics.

**August 2002- 2004**

**Special Education Teacher, Germaine Lawrence Inc. Arlington, MA**

Developed English and Science curriculum in compliance with the Massachusetts Curriculum Frameworks and differentiated lesson plans to meet individual student needs in a residential treatment facility for adolescent girls with various emotional and behavioral disabilities.

- Develop and implement student IEP's
- Effectively use classroom management skills to maintain safe learning environment.

**Awards:** Staff Excellence Award 2003

**Education:**

**Southern New Hampshire University-**  
Currently enrolled in MS Psychology program with a concentration in Industrial and Organizational Psychology.  
**Projected Graduation- 2022**

**Clark University**  
**Certificate in Nonprofit Human Service Management**

**Plymouth State University, Plymouth, NH**  
**BS Elementary Education**  
**Option: Special Education**

**Special Skills and Trainings:**

**Safe and Positive Approaches Lead Trainer**  
**Risking connections Staff trainer**  
**Trained in Motivational Interviewing**  
**Medication Administration Program (MAP) certified**  
**First-Aid and CPR certified**  
**Certified Sexuality Educator.** (certified through Planned Parenthood League of Massachusetts)  
**Former Volunteer Coach for the Doc Wayne Therapeutic Sports League**  
**Successful completion of Lyle Kirtman's Future Leaders Training Series**  
**Therapeutic Crisis Intervention Instructor Certified (TCI)**- (expired)  
**Former Nonviolent Crisis Intervention Instructor Certified.(CPI)** (expired)



# Sheri-ann S. Mclean, MSc.

Candidate for PhD in Developmental Psychology

## Community Administrator

### Career Objective

I am an experienced manager, trainer, and researcher with 8+ years seeking an opportunity to apply my skills quality improvement.

### Professional Experience

Devereux Advanced Behavioral Health, Rutland, MA  
*Community Administrator, June 2021-Present*

- Provide oversight for ten group homes
- Trained three new Program Directors in fiscal management, training compliance, staff development, and ensuring programs were ran with fidelity.
- Implemented stabilization plan in 1:4 group home for adolescent boys with great success
- Read and analysed incoming budgeting reports to cut overtime and overspending across ten programs for month end close with National.
- Collaborated and created connections with local Police Department
- Supported efforts for community integration for jobs and colleges

Devereux Advanced Behavioral Health, Rutland, MA  
*Community Director, Aug 2019-June 2021*

- Provide oversight for two latency aged programs and one adolescent boy's program.
- Trained three new Program Directors in fiscal management, training compliance, staff development, and ensuring programs were run to fidelity.
- Trained 1 case manager to prepare and maintain case files, communicate with internal and external customers, attend meetings, and support student reintegration in the community.
- Implemented stabilization plan in latency aged program with 90% success.
- Read and analysed incoming budgeting reports to cut overtime and overspending across the three programs.
- Lead trainer for the Leadership Institute

Devereux Advanced Behavioral Health, Rutland, MA  
*Program Director, Aug 2017-August 2019*

- Supervised and trained ten staff in quality of care and program fidelity.
- Maintained staff retention at 100% during the time in the role.
- Implemented the welcome boxes for both staff and students with success.
- Conduct research, compile data and prepare quarterly and yearly quality improvement presentations presented to high-level executives and administrative personnel.
- Facilitated reintegration to a lower level of care (kinship or foster placement) at 80%.

### ADDITIONAL SKILLS

- Leadership
- Policy
- Training and Coaching
- DISC
- System Thinker
- Staff Development
- Research
- Problem Solving
- Zoom
- TEAMS
- Detailed-Oriented
- Microsoft Word, Excel, and PowerPoint
- Organization and Scheduling
- Strong Communication
- Multi-tasking
- Flexible and able to work Independently
- SPSS

### LICENSES & CERTIFICATIONS

- Maxwell Leadership Certified DISC Trainer and Consultant/ 2022
- Maxwell Leadership Certified Team Member, Speaker, Trainer, and Coach/ 2021
- Transformation Academy Certified Master Life Coach/2020
- DCRC Recognized FLIP IT Trainer/ 2019
- DCRC Recognized Building Your Bounce Trainer/2018
- Devereaux MA Leadership Institute Trainer /2019

## **AWARDS & ACCOMPLISHMENTS**

- Devereux Supervisory Excellence Award (2021)
- Devereux Leadership Class (2020)
- President List at Capella University (2019- present)
- Devereux MA STARS System Thinker Award (2019)
- Today's Honoree (April 1<sup>st</sup> 2019)
- Tall Tee Sports Foundation Self-Achievement Award (2012)
- University of the West Indies Dean's List (2010-2011)
- Bolivarian of The Year for Exceptional Leadership Skills and Dedication to Cluster 2 on Rex Nettleford Hall

## **AFFILIATIONS AND ASSOCIATIONS**

- The National Society of Leadership Success (2021)
- Psi Chi International Honor Society in Psychology (2020)
- American Psychology Association (APA)- 2018-Present
- Society for Research on Adolescence (SRA)- 2018-Present
- Society for Research in Child Development (SRCD)- 2018-Present
- Black Caucus- 2018-Present

### **Devereux Advanced Behavioral Health, Rutland, MA Case Manager (Fentress and Trafford), Dec 2016-Aug 2017**

- Established relationship between Mass Rehab and Devereux which provided students with opportunities for jobs, driver's licenses, and other life skills for ten residents.
- Advocated for students' best next steps during meetings and foster care reviews with a 90% success.
- Effectively maintained documentation and corresponded with both internal and external providers.
- Created pivots and data for analysis during the weekly meeting to assist in data-driven decision making.

### **Devereux Advanced Behavioral Health, Rutland, MA STARR Case Manager and Registered Behavior Technician, Aug 2016-Dec 2016**

- Created sensory toolbox for latency aged students to help support behavior regulation.
- Maintain open communication with collaterals and maintained clear documentation of case files.
- Supported two clients in the in-home behavior support program with marked success.

### **Devereux Advanced Behavioral Health, Rutland, MA Direct Support Professional, Feb 2016-August 2016**

- Facilitated a safe and therapeutic environment for students and provided them with skills to build independence.

### **Tropical Medical Research Unit, Kingston, Jamaica Research Assistant, June 2015-January 2016**

- Coordinated and facilitated training workshops for 30 basic school teachers as well as provided in-class coaching for teachers.
- Entered and checked data from testing in SPSS

### **Tropical Medical Research Unit, Kingston, Jamaica Child Tester, March 2015-June 2015**

- Successfully administered testing for 50 basic school-aged students in the inner-city schools.

### **Jamaica Red Cross, Kingston, Jamaica Consultant, March 2015-May 2015**

- Reviewed and updated the anti-stigma reduction curriculum

### **The University of the West Indies, Kingston, Jamaica Resident Advisor, Aug 2013-July 2014**

- Provided counseling for 80 residents
- Sub-coordinated events for culture and sports program including celebration and development week.
- Supervised and trained five student leaders

### **Jamaica Red Cross, Kingston, Jamaica Consultant (Intern), Aug 2014- Dec 2014**

- Facilitated HIV testing, peer education, and counseling for 3 inner cities at risk-communities which assisted with the prevention of new HIV infections.
- Reviewed and provided recommendations of the Anti-Stigma Manual to the leadership team.
- Facilitated capacity-building workshop training for volunteers and provided recommendations to leadership.

## **REFERENCES**

Available Upon Request

**The University of West Indies, Kingston, Jamaica**  
*Graduate Assistant, Sept 2012-May 2014*

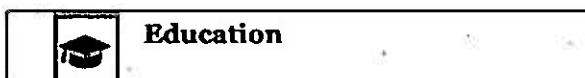
- Conducted literature reviews, reviewed data collection instruments, and assisted with the training of interviewers for data collection.
- Tutored three undergraduate psychology courses (Applied Psychology, Healthy Psychology, and Research Methods) with a 90% passing rate in each class.

**Office of Student Development, Kingston, Jamaica**  
*Evaluator, July 2013-Aug 2013*

- Sorted and entered evaluation result in SPSS.
- Created summary report and presented to leadership and executives.

**The University of the West Indies, Kingston, Jamaica**  
*Intern, Feb 2011-April 2011*

- Facilitated emergency room intakes and ward rounds
- Completed write up and presented case study to the team



**Capella University, Minneapolis, MN (2018- Present)**  
*Ph.D. Developmental Psychology (Child and Adolescent)*  
*GPA 4.0*

**The University of the West Indies, Kingston, Jamaica (2012-2016)**  
*Masters of Science in Applied Psychology*

**The University of the West Indies, Kingston, Jamaica (2008-2011)**  
*Bachelor's of Science in Psychology (Criminology Minor)*

**The Queen's Sixth Form, Jamaica (2012-2016)**  
*Advanced Proficiency Diploma*

**The Queen's School, Kingston, Jamaica (2012-2016)**  
*High School Diploma*

### Key Personnel Information

Name	Role	Salary
Rachel Schein	Director of Clinical Services	97,335
Jennifer Darrell	Campus Administrator	77,041
Sheri Ann Mclean	Community Administrator	77,041

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

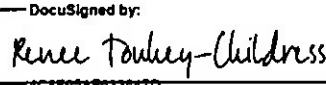
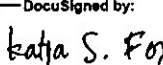
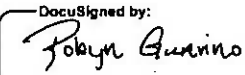
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**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 Dover Children's Home		1.4 Contractor Address 207 Locust Street, Dover, NH 03820	
1.5 Contractor Phone Number 603-742-4289	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 10/17/2022		1.12 Name and Title of Contractor Signatory Renee Touhey-Childress Executive Director	
1.13 State Agency Signature DocuSigned by:  Date: 10/17/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 10/17/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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

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

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

**9. TERMINATION.**

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

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

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

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

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

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

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

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

Contractor Initials

Date 10/17/2022

RTC

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

#### 14. INSURANCE.

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

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

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

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

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

#### 15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

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

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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its Plan within five (5) days of notification of non-approval from the Department.

1.6. The Contractor must implement the Plan immediately upon notification of Department approval.

1.7. Reporting

1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:

1.7.1.1. Youth Served.

1.7.1.2. Workforce, including, but not limited to:

1.7.1.2.1. Total Staffing.

1.7.1.2.2. Resignations.

1.7.1.2.3. Vacant Positions.

1.7.1.2.4. Offers.

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

## 2. Exhibits Incorporated

2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

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

2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

## 3. Additional Terms

### 3.1. Impacts Resulting from Court Orders or Legislative Changes

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

### 3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

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

**3.3. Credits and Copyright Ownership**

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

3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

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

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

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

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

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

4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions; P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to dhhs.dbhinvoicesmhs@dhhs.nh.gov or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. The Contractor must email an annual audit to dhhs.act@dhhs.nh.gov if any of the following conditions exist:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must 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.

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Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.





## New Hampshire Department of Health and Human Services

## Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

**(1) Definitions.**

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

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Exhibit D

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

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

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

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Exhibit D

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



## New Hampshire Department of Health and Human Services

## Exhibit D

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate

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New Hampshire Department of Health and Human Services

Exhibit D

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

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

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

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New Hampshire Department of Health and Human Services

Exhibit D

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

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

Department of Health and Human Services

Dover Children's Home

The State by:

Name of the Contractor

*Katja S. Fox*

*Renee Touhey-Childress*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Renee Touhey-Childress

Name of Authorized Representative

Name of Authorized Representative

Director

Executive Director

Title of Authorized Representative

Title of Authorized Representative

10/17/2022

10/17/2022

Date

Date

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Date 10/17/2022

# 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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

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

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

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



## New Hampshire Department of Health and Human Services

## Exhibit E

## DHHS Information Security Requirements



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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

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

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

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

**A. Retention**

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

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Exhibit E

DHHS Information Security Requirements



- whole, must have aggressive intrusion-detection and firewall protection.
6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

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

IV: PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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## New Hampshire Department of Health and Human Services

### Exhibit E

### DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

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

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

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

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Exhibit E

DHHS Information Security Requirements



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

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

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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# State of New Hampshire

## Department of State

### CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that DOVER CHILDRENS HOME is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 13, 1893. 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: 60257

Certificate Number: 0005878774



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 4th day of October A.D. 2022.

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

David M. Scanlan  
Secretary of State



### CERTIFICATE OF AUTHORITY

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

1. I am a duly elected Chair of Dover Children's Home.

2. The following is a true copy of a vote taken at a meeting of the Board of Directors, duly called and held on October 11, 2022, at which a quorum of the Directors were present and voting.

VOTED: That, Renee Touhey-Childress  
(Name and Title of Contract Signatory)

is duly authorized on behalf of Dover Children's Home 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 affect 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: 10/12/22

Donald J. Cichon  
Signature of Elected Officer  
Name: DONALD CICHON  
Title: Chair, Board of Directors



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/17/2022

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

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

<b>PRODUCER</b> E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425	<b>CONTACT NAME:</b> Fairley Kenneally <b>PHONE (A/C, No, Ext):</b> (603) 293-2791 <b>FAX (A/C, No):</b> (603) 293-7188 <b>E-MAIL ADDRESS:</b> fairley@esinsurance.net												
<b>INSURER(S) AFFORDING COVERAGE</b>													
<b>INSURED</b> Dover Childrens Home 207 Locust Street Dover NH 03820	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>INSURER A:</b> Great American Insurance Group</td> <td><b>NAIC #</b> GAIG</td> </tr> <tr> <td><b>INSURER B:</b> Technology Insurance Co</td> <td>42376</td> </tr> <tr> <td><b>INSURER C:</b></td> <td></td> </tr> <tr> <td><b>INSURER D:</b></td> <td></td> </tr> <tr> <td><b>INSURER E:</b></td> <td></td> </tr> <tr> <td><b>INSURER F:</b></td> <td></td> </tr> </table>	<b>INSURER A:</b> Great American Insurance Group	<b>NAIC #</b> GAIG	<b>INSURER B:</b> Technology Insurance Co	42376	<b>INSURER C:</b>		<b>INSURER D:</b>		<b>INSURER E:</b>		<b>INSURER F:</b>	
<b>INSURER A:</b> Great American Insurance Group	<b>NAIC #</b> GAIG												
<b>INSURER B:</b> Technology Insurance Co	42376												
<b>INSURER C:</b>													
<b>INSURER D:</b>													
<b>INSURER E:</b>													
<b>INSURER F:</b>													

**COVERAGES**                      **CERTIFICATE NUMBER: 22**                      **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PAC387921410	11/05/2021	11/05/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COM/OP AGG \$ 3,000,000 Employee Benefits \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/>			CAP387921510	11/05/2021	11/05/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			UMB387921610	11/05/2021	11/05/2022	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	TWC4026072	11/05/2021	11/05/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Professional Liability \$1,000,000  
 Abuse and Molestation \$1,000,000

<b>CERTIFICATE HOLDER</b>  State of New Hampshire Department of Health and Human Services 129 Pleasant Street  Concord NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	--

# DOVER CHILDREN'S HOME

## MISSION STATEMENT

*Provide tools and support for youth to heal from emotional trauma through community-based treatment programs that foster relationships and enable youth to create hope for the future.*

## STRATEGIC FRAMEWORKS

- *Pursue Program Excellence*
  - *Expand Services*
- *Maximize the Effectiveness of Governance & Management Structure*
  - *Ensure Organizational Sustainability*

**IT TAKES A COMMUNITY TO RAISE A CHILD**

# *Financial Statements*

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## **DOVER CHILDREN'S HOME, INC.**

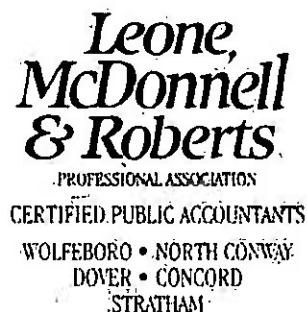
### **FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020 AND INDEPENDENT AUDITORS' REPORT**

**DOVER CHILDREN'S HOME, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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To the Board of Directors  
Dover Children's Home, Inc.  
Dover, New Hampshire

### **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of Dover Children's Home, Inc. (a New Hampshire nonprofit corporation), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows, for the years then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

Due to the inadequacy of accounting records for the years prior to the year ended May 31, 2008 (the first year we were engaged as auditors), we were unable to form an opinion regarding the net assets of Dover Children's Home, Inc. and the related restrictions thereon (see **Note 6**).

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Dover Children's Home, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Leon McDermott & Roberts*  
*Professional Association*

February 24, 2022  
Dover, New Hampshire

**DOVER CHILDREN'S HOME, INC.****STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2021 AND 2020**

	<b><u>ASSETS</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		
Operating cash	\$ 124,806	\$ 86,453
Cash equivalents from investments	<u>110,738</u>	<u>59,751</u>
Total cash and cash equivalents	235,544	146,204
Accounts receivable	98,427	113,550
Inventory, food	2,147	2,484
Prepaid expenses	<u>16,281</u>	<u>29,110</u>
Total current assets	<u>352,379</u>	<u>291,348</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land, building and improvements	1,850,194	1,842,894
Furniture and equipment	179,020	178,463
Vehicles	<u>66,804</u>	<u>94,549</u>
	2,096,018	2,115,906
Less accumulated depreciation	<u>944,783</u>	<u>972,545</u>
Total property and equipment, net	<u>1,151,235</u>	<u>1,143,361</u>
<b>INVESTMENTS</b>		
Total assets	<u>5,806,362</u>	<u>5,096,019</u>
	<b><u>\$ 7,309,976</u></b>	<b><u>\$ 6,530,728</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 1,686	\$ 5,349
Accrued paid time off	56,590	68,170
Accrued payroll and related liabilities	36,040	25,929
Refundable rent	<u>2,620</u>	<u>365</u>
Total current liabilities	<u>96,936</u>	<u>99,813</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,873,871	1,868,078
With donor restrictions	<u>5,339,169</u>	<u>4,562,837</u>
Total net assets	<u>7,213,040</u>	<u>6,430,915</u>
Total liabilities and net assets	<b><u>\$ 7,309,976</u></b>	<b><u>\$ 6,530,728</u></b>

See Notes to Financial Statements



**DOVER CHILDREN'S HOME, INC.****STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS</b>		
Contributions	\$ 286,805	\$ 313,069
Fundraising	127,084	80,374
Government and other agencies	802,238	889,730
Income from outside trust grants	46,115	43,232
Gain on sale of property and equipment	13,328	-
Interest income	149	344
Total unrestricted revenue and support	<u>1,275,719</u>	<u>1,326,749</u>
Net assets released from restrictions	<u>230,842</u>	<u>222,715</u>
Total revenue and support without donor restrictions and net assets released from restrictions	<u>1,506,561</u>	<u>1,549,464</u>
<b>EXPENSES</b>		
Program services:		
Instructional and student activities	991,855	1,019,759
Residential	221,290	199,534
Supporting activities:		
General and administrative	109,130	111,795
Fundraising and marketing	178,493	161,801
Total expenses	<u>1,500,768</u>	<u>1,492,889</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>5,793</u>	<u>56,575</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	15,000	7,000
Interest and dividends, investments	141,480	122,434
Net realized and unrealized gain on investments	850,694	131,306
Net assets released from restrictions	<u>(230,842)</u>	<u>(222,715)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>776,332</u>	<u>38,025</u>
<b>INCREASE IN NET ASSETS</b>	<u>782,125</u>	<u>94,600</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>6,430,915</u>	<u>6,336,315</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 7,213,040</u>	<u>\$ 6,430,915</u>

See Notes to Financial Statements

**DOVER CHILDREN'S HOME, INC.****STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>INSTRUCTIONAL AND STUDENT ACTIVITIES</b>		
Salaries and wages	\$ 717,566	\$ 772,165
Health and dental insurance	66,318	53,654
Payroll taxes	58,548	58,334
Food	42,701	40,520
Insurance	20,843	17,078
Holidays/vacations	18,337	12,113
Staff development	11,688	6,310
Miscellaneous	10,666	3,765
Telephone	7,110	6,783
Vehicle insurance	7,054	5,327
Recreation/weekend activities	5,504	7,731
Client treatment and services	5,092	8,449
Client transportation	4,416	3,933
Clothing	3,645	3,327
Hygiene/personal products	1,959	1,503
Resident reinforcers	1,742	2,081
Pilot house expense	1,491	2,580
Resident allowance	1,434	2,908
Vehicle maintenance and repairs	1,280	2,394
School supplies	1,116	1,854
Payroll service costs	1,085	1,073
Staff mileage reimbursement	1,011	4,816
Criminal record check	734	235
Postage	311	422
Membership dues	204	404
	<hr/>	<hr/>
Total instructional and student activities	<u>\$ 991,855</u>	<u>\$ 1,019,759</u>

See Notes to Financial Statements

Continued

**DOVER CHILDREN'S HOME, INC.****STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>RESIDENTIAL</b>		
Salaries and wages	\$ 77,240	\$ 78,827
Depreciation	62,808	54,961
Heat	16,090	12,437
Electricity	12,555	12,169
Equipment maintenance and repairs	12,310	3,182
House supplies	9,019	5,066
Insurance	7,621	8,100
Health and dental insurance	7,073	5,723
Payroll taxes	6,245	6,025
Grounds maintenance	4,212	5,965
Water and sewer	3,202	4,118
Maintenance and repairs	2,799	2,847
Payroll service costs	116	114
	<u>116</u>	<u>114</u>
Total residential	<u>\$ 221,290</u>	<u>\$ 199,534</u>

See Notes to Financial Statements

Continued

DOVER CHILDREN'S HOME, INC.STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>GENERAL AND ADMINISTRATIVE</b>		
Salaries and wages	\$ 54,473	\$ 56,465
Audit fees	16,767	15,584
IT/office infrastructure	10,358	3,373
Health and dental insurance	5,305	4,293
Payroll taxes	4,684	4,519
Insurance	4,012	4,251
Depreciation	3,306	2,893
Office supplies	3,117	2,315
Telephone	2,031	1,938
Food	1,805	1,226
Miscellaneous	1,186	1,229
Membership dues	814	1,614
Other administrative expenses	734	11,477
Postage and shipping	311	422
Bank service fees	110	54
Payroll service	87	86
Finance charges	30	27
Printing and binding	-	29
	<hr/>	<hr/>
Total general and administrative	<u>\$ 109,130</u>	<u>\$ 111,795</u>

See Notes to Financial Statements

Continued

DOVER CHILDREN'S HOME, INC.STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>FUNDRAISING AND MARKETING</b>		
Salaries and wages	\$ 102,378	\$ 112,932
Direct fundraising expenses	39,984	18,226
Advertising	9,861	6,704
Health and dental insurance	9,728	7,868
Payroll taxes	8,587	8,283
Insurance	3,376	3,785
Bank service fees	1,803	1,071
Telephone	1,018	969
Miscellaneous	637	769
Office supplies	550	408
Postage	414	563
Payroll service	159	157
Printing and binding	-	66
	<hr/>	<hr/>
Total fundraising and marketing	<u>\$ 178,493</u>	<u>\$ 161,801</u>

See Notes to Financial Statements

DOVER CHILDREN'S HOME, INC.STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 782,125	\$ 94,600
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	66,114	57,853
In-kind donation of property and equipment	-	(12,000)
Gain on sale of property and equipment	(13,328)	-
Realized gain on sale of investments	(181,693)	(11,752)
Unrealized gain on investments	(669,001)	(119,554)
Decrease (increase) in assets:		
Accounts receivable	15,123	(83,960)
Inventory, food	337	263
Prepaid expenses	12,849	(6,330)
(Decrease) increase in liabilities:		
Accounts payable	(3,663)	(1,638)
Accounts payable renovation	-	(43,880)
Accrued paid time off	(11,580)	19,606
Accrued payroll and related liabilities	10,111	7,333
Refundable rent	2,255	365
Deferred revenue	-	(5,205)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>9,649</u>	<u>(104,299)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(74,660)	(736)
Purchase of investments	(1,019,574)	(1,588,278)
Proceeds from sale of property and equipment	14,000	-
Proceeds from sale of investments	<u>1,159,925</u>	<u>1,687,808</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>79,691</u>	<u>98,794</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	89,340	(5,505)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>146,204</u>	<u>151,709</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 235,544</u>	<u>\$ 146,204</u>

See Notes to Financial Statements

**DOVER CHILDREN'S HOME, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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

**Nature of Business**

Dover Children's Home, Inc. (the Home) is a non-profit organization designed to provide a home for the reception, care and instruction of needy, neglected, or abused children. The majority of the Home's funding is from federal and state funds administered through the State of New Hampshire Department of Health and Human Services.

**Basis of Presentation**

The financial statements of the Home have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Home to report information regarding its financial position and activities according to the following net asset classifications:

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 Home. These net assets may be used at the discretion of the Home'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 Home. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

As of September 30, 2021 and 2020, the Home had \$5,339,169 and \$4,562,837 of net assets with donor restrictions, respectively.

**Basis of Accounting**

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

**Use of Estimates**

Management uses estimates in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances, however, actual results could differ from those estimates.

**DOVER CHILDREN'S HOME, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**Income Taxes**

The Home is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities, and as a result of having no unrelated business activities for each of the years ended September 30, 2021 and 2020, has made no provision for Federal income taxes in the accompanying financial statements.

Management has reviewed the tax positions for the Home under ASC 740, *Accounting for Income Taxes*, which establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Home's tax positions taken on its information returns for the previous three tax years.

**Cash and Cash Equivalents**

The Home considers all highly liquid investments with an original maturity date of less than three months to be cash equivalents. The cash equivalents at September 30, 2021 and 2020 consist of money market accounts. Cash equivalents totaled \$110,738 and \$59,751 on September 30, 2021 and 2020, respectively.

**Accounts Receivable**

Accounts receivable represent amounts due from Medicaid and DCYF, as well as other small programs funded by the State of New Hampshire for the years ended September 30, 2021 and 2020. The amounts are based on the per diem rate paid for residents of the Home. The per diem rate is determined on an annual basis.

At September 30, 2020 accounts receivable included \$72,984 in grant funds through the New Hampshire Department of Health and Human Services Accreditation Support for DCYF Certified Residential Treatment Providers program (see Note 10).

The Home considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations and an allowance will be created when that determination is made.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. The values of the securities are subject to market fluctuations and are uninsured (see Note 4). Unrealized gains and losses and investment income from restricted investments are included in the change in net assets (see Note 5).



**DOVER CHILDREN'S HOME, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**Inventory**

Food inventories purchased for use in program residential services are carried at the lower of first-in, first-out cost or net realizable value.

**Property and Equipment**

Property and equipment is recorded at cost, if purchased, or at fair value at date of donation in the instance of donated property. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Costs for maintenance and repairs are charged against operations. Renewals and betterments which materially extend the life of the assets are capitalized.

Depreciation is provided over the life of the related assets using the straight line method as follows:

	<u>Years</u>
Buildings and building improvements	10 - 40
Furniture and equipment	5 - 10
Vehicles	5

Depreciation expense for the years ended September 30, 2021 and 2020 was \$66,114 and \$57,853, respectively.

**Accrued Paid Time Off**

Accrued paid time off represents the Home's liability for the cost of unused employee paid time off. The Home allows employees to carryover up to 120 hours of accrued paid time off which is payable when used or in the event of employee termination. The Home's liability for the accrued paid time off at September 30, 2021 and 2020, totaled \$38,475 and \$43,945, respectively. The Home also allows employees to use amounts in excess of the 120 hours for medical or other approved leave. The amount in excess of the 120 hours will not be paid out in the event of termination. The excess hours represents \$18,115 and \$24,225 of the total accrued paid time off balance at September 30, 2021 and 2020, respectively.

**Functional Allocation of Expenses**

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

**DOVER CHILDREN'S HOME, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practical to estimate the value:

**Accounts receivables and prepaid expenses** – The carrying value of these accounts approximates fair value due to their short term nature.

**Investments** – The fair value of investments are measured using a fair value hierarchy, which prioritizes the inputs used in measuring fair values (see **Note 5**).

**Accounts payable, accrued expenses, and deferred revenue** – The carrying value of these accounts approximates fair value due to the short term nature of the obligations.

**New Accounting Pronouncement**

In May, 2014, FASB issued *ASU 2014-09 (Topic 606) – Revenue from Contracts with Customers*. The ASU and all subsequently issued clarifying ASUs replaced the most existing revenue recognition guidance in U.S. GAAP. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue from cash flows arising from contracts with customers. The Home adopted the new standard effective October 1, 2020, the first day of the Home's fiscal year using the modified retrospective approach. The adoption did not result in a change to the accounting for any of the applicable revenue streams; as such, no cumulative effect adjustment was recorded.

**Revenue Recognition - Grants**

The Home is awarded cost reimbursement grants by the New Hampshire Department of Health and Human Services through Medicaid and the Division for Children Youth & Families. Revenues associated with these grants are recorded in the period the associated care is provided.

**Revenue Recognition – Fundraising**

The Home recognizes revenue from all fundraising related activities in the period in which the event occurs.

**Contributions**

All contributions are considered to be available for the general programs of the Home unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. Contributions are recognized in the period promised.

DOVER CHILDREN'S HOME, INC.NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020Contributed Support

Many individuals involved with the Home have donated significant time to its activities and programs; however, no amount has been recognized in these financial statements because the contributed services did not meet the requirements for recognition.

**NOTE 2: LIQUIDITY AND AVAILABILITY**

The following represents the Home's financial assets as of September 30:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 235,544	\$ 146,204
Accounts receivable	98,427	113,550
Investments	<u>5,806,362</u>	<u>5,096,019</u>
Total financial assets	6,140,333	5,355,773
Less amounts not available to be used within one year:		
Restricted investments	<u>5,312,187</u>	<u>4,550,855</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 828,146</u>	<u>\$ 804,918</u>

It is the Home's goal to maintain financial assets to meet 6 months of operating expenses which approximated \$718,000 at September 30, 2021 and 2020.

**NOTE 3. CONCENTRATION OF CREDIT RISK**

The Home maintains its cash balances at one local financial institution. At September 30, 2021 and 2020, there were no balances in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. However, cash balances may exceed the insured limits at times throughout the year.

The Home received approximately 56% and 39% of its funding from Medicaid and the Division of Children, Youth and Families (DCYF) combined for the years ended September 30, 2021 and 2020, respectively. At September 30, 2021 and 2020, Medicaid and DCYF accounted for 100% and 36%, respectively, of the balance in accounts receivable.

**DOVER CHILDREN'S HOME, INC.****NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020****NOTE 4. INVESTMENTS**

The following is a summary of investments at September 30, 2021 and 2020:

	<b><u>September 30, 2021</u></b>		
<b>Endowment Fund</b>	<b><u>Cost</u></b>	<b><u>Fair Value</u></b>	<b><u>Unrealized Gain (Loss)</u></b>
Cash and cash equivalents	\$ 101,914	\$ 101,914	\$ -
Investment portion:			
Government obligations	251,689	257,976	6,287
Non-government obligations	831,444	861,300	29,856
Real assets	50,499	64,386	13,887
Common stocks	841,907	1,237,742	395,835
Mutual funds	<u>2,000,851</u>	<u>2,559,951</u>	<u>559,100</u>
Total investment portion	<u>3,976,390</u>	<u>4,981,355</u>	<u>1,004,965</u>
Total endowment fund	<u>\$ 4,078,304</u>	<u>\$ 5,083,269</u>	<u>\$ 1,004,965</u>
<b>Other Funds</b>	<b><u>Cost</u></b>	<b><u>Fair Value</u></b>	<b><u>Unrealized Gain (Loss)</u></b>
Cash and cash equivalents	\$ 8,824	\$ 8,824	\$ -
Investment portion:			
Real assets	8,448	10,771	2,323
Mutual funds	<u>674,797</u>	<u>814,236</u>	<u>139,439</u>
Total investment portion	<u>683,245</u>	<u>825,007</u>	<u>141,762</u>
Total other funds	<u>\$ 692,069</u>	<u>\$ 833,831</u>	<u>\$ 141,762</u>
<b>Total</b>			
Total cash and cash equivalents	\$ 110,738	\$ 110,738	\$ -
Total investment portion	<u>4,659,635</u>	<u>5,806,362</u>	<u>1,146,727</u>
Total	<u>\$ 4,770,373</u>	<u>\$ 5,917,100</u>	<u>\$ 1,146,727</u>

**DOVER CHILDREN'S HOME, INC.****NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020****September 30, 2020****Endowment Fund**

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash and cash equivalents	\$ 50,939	\$ 50,939	\$ -
Investment portion:			
Government obligations	244,537	257,809	13,272
Non-government obligations	759,971	811,197	51,226
Real assets	55,655	54,331	(1,324)
Common stocks	911,625	1,105,071	193,446
Mutual funds	<u>1,944,832</u>	<u>2,112,159</u>	<u>167,327</u>
Total investment portion	<u>3,916,620</u>	<u>4,340,567</u>	<u>423,947</u>
Total endowment fund	<u>\$ 3,967,559</u>	<u>\$ 4,391,506</u>	<u>\$ 423,947</u>

**Other Funds**

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash and cash equivalents	\$ 8,812	\$ 8,812	\$ -
Investment portion:			
Real assets	9,620	9,392	(228)
Mutual funds	<u>692,052</u>	<u>746,060</u>	<u>54,008</u>
Total investment portion	<u>701,672</u>	<u>755,452</u>	<u>53,780</u>
Total other funds	<u>\$ 710,484</u>	<u>\$ 764,264</u>	<u>\$ 53,780</u>

**Total**

Total cash and cash equivalents	\$ 59,751	\$ 59,751	\$ -
Total investment portion	<u>4,618,292</u>	<u>5,096,019</u>	<u>477,727</u>
Total	<u>\$ 4,678,043</u>	<u>\$ 5,155,770</u>	<u>\$ 477,727</u>

**DOVER CHILDREN'S HOME, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**NOTE 5. 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 Home 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 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 following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at September 30, 2021.

**Government obligations:** Valued using pricing models maximizing the use of observable inputs for similar securities.

**Non-government obligations:** Consist of corporate bonds that are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

**DOVER CHILDREN'S HOME, INC.****NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

*Real assets:* Consist of real estate investment trust (REIT) stocks which are actively traded and are valued at the daily closing price as reported by the trust. These trusts are required to publish their daily net asset value (NAV) and to transact at that price. All REIT's held by the Home are open-end REIT's that are registered with the Securities and Exchange Commission.

*Common stocks:* Valued at the closing market price on the stock exchange where they are traded (primarily the New York Stock Exchange).

*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 Home are open-end mutual funds that are registered with the Securities and Exchange Commission.

**2021**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government obligations	\$ -	\$ 257,976	\$ -	\$ 257,976
Non-government obligations	-	861,300	-	861,300
Real assets	75,157	-	-	75,157
Common stocks	1,237,742	-	-	1,237,742
Mutual funds				
Equities	2,775,189	-	-	2,775,189
Fixed income	598,998	-	-	598,998
Total investments	<u>\$ 4,687,086</u>	<u>\$ 1,119,276</u>	<u>\$ -</u>	<u>\$ 5,806,362</u>

**2020**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government obligations	\$ -	\$ 257,809	\$ -	\$ 257,809
Non-government obligations	-	811,197	-	811,197
Real assets	63,723	-	-	63,723
Common stocks	1,105,071	-	-	1,105,071
Mutual funds				
Equities	2,170,076	-	-	2,170,076
Fixed income	688,143	-	-	688,143
Total investments	<u>\$ 4,027,013</u>	<u>\$ 1,069,006</u>	<u>\$ -</u>	<u>\$ 5,096,019</u>

**DOVER CHILDREN'S HOME, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**NOTE 6.**

**QUALIFIED OPINION**

Due to the inadequacy of accounting records for the years prior to the year ended May 31, 2008, extensive research was performed, in an attempt to reach a conclusion related to the restrictions of the Home's net assets and authorization related to the release of net assets from restrictions, if any. The research proved to be inconclusive, which has resulted in qualified opinions for the periods ended during 2008 through 2021 as it relates to the Home's net assets, the restrictions thereon, and authorization related to the release of net assets from restrictions, if any. Due to the uncertainty regarding the balance of net assets with donor restrictions, the Board has elected to treat all earnings on net assets with donor restrictions as net assets with donor restrictions, unless a transfer is made for operational purposes at the discretion of the Board of Directors, at which time the amount is transferred to net assets without donor restriction.

**NOTE 7.**

**RECLASSIFICATION**

Certain amounts and accounts from the prior year financial statements have been reclassified to enhance the comparability with the presentation of the current year.

**NOTE 8.**

**PAYCHECK PROTECTION PROGRAM**

In April 2020, the Home received loan proceeds in the amount of \$187,000 under the Paycheck Protection Program ("PPP"). The PPP is established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES ACT").

The loan was formally forgiven on January 7, 2021, prior to the issuance of the financial statements for the year ended September 30, 2020; as such, the entire amount of the loan was recorded as income from government and other agencies for the year ended September 30, 2020.

**NOTE 9.**

**LONG TERM CARE STABILIZATION PROGRAM**

In response to COVID-19, in April 2020, the State of New Hampshire established the Long Term Care Stabilization (LTCS) Program to provide stipends to certain front line Medicaid providers. The program was developed to incentivize these direct care workers to remain in or rejoin this critical workforce and continue to provide high quality care to vulnerable persons during the pandemic. Under the program, the New Hampshire Department of Employment Security (NHES) would distribute \$300 per week in stipends to full time qualifying front line workers and \$150 per week in stipends to part time qualifying front line workers. The funding for the LTCS Program was provided through the Coronavirus Relief Fund and continued through December 31, 2020. During the years ended September 30, 2021 and 2020, the Home received grant revenue of \$32,550 and \$63,750 and expended \$32,550 and \$63,750, respectively, under the grant through payroll.



**DOVER CHILDREN'S HOME, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**NOTE 10. OTHER FUNDING**

During the year ended September 30, 2020 the Home accepted grant proceeds in the amount of \$72,984 from the State of New Hampshire under the New Hampshire Department of Health and Human Services Accreditation Support for DCYF Certified Residential Treatment Providers program. The funds received through this program were used to maintain the Home's accreditation with the Commission on Accreditation of Rehabilitation Facilities. At September 30, 2020, the funds were included in accounts receivable and were received on October 4, 2020.

**NOTE 11. OTHER MATTERS**

The impact of the novel coronavirus (COVID-19) and measures to prevent its spread are affecting the Home's programs. The significance of the impact of these disruptions, including the extent of their adverse impact on the Home's financial and operational results, will be dictated by the length of time that such disruptions continue and, in turn, will depend on the currently unknowable duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic. Due to the COVID-19 impact on the capital markets the Home continues to evaluate its investment strategies but does not anticipate any major changes to its investment portfolio in the near term. COVID-19 also makes it more challenging for management to estimate future performance of the Home's programs, particularly over the near to medium term.

**NOTE 12. 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. Non-recognized 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 February 24, 2022, the date the financial statements were available to be issued.

**DOVER CHILDREN'S HOME  
FISCAL YEAR 2022 BOARD OFFICERS AND STANDING COMMITTEE CHAIRS  
\* EXECUTIVE COMMITTEE \*  
updated: September 29, 2022**

<p align="center"><b>CHAIR</b> <b>Don Cichon</b> (serving since 3-18-14) Retired - Financial Advisor: Cocheco Financial Group</p>	<p align="center"><b>VICE CHAIR</b> <b>Doug Glennon</b> (serving since 10-21-14) Website Developer, Glennon Consulting Co-Owner, Jewelry Creations</p>
<p align="center"><b>TREASURER</b> <b>Carolyn Mebert</b> (serving since 6-10-03) Retired - Associate Professor of Psychology University of New Hampshire</p>	<p align="center"><b>SECRETARY</b> <b>Jim Horne</b> (serving since 8-26-15) President of Beacon Business Advantage</p>
<p align="center">Sean O'Connell (serving since 6-24-20) Partner/Attorney Shaheen &amp; Gordon</p>	<p align="center">Paul Chamberlin (serving since 1-27-16) Retired - Associate VP of Facilities University of New Hampshire</p>
<p align="center">Mike Murphy, Finance Chair (serving since 3-25-15) CPA: Murphy, Powers, and Wilson, P.C.</p>	<p align="center">Ann Lane, Facilities &amp; Infrastructure Chair (serving since 3-23-16) Retired Carpenter and Real Estate Developer</p>
<p align="center">David Rich, MD (Serving since 3-27-21) Pediatrician and Partner Dover Pediatrics</p>	<p align="center">Sharon Zacharias (Serving Since 3-27-2022) Director HR First Seacoast Bank</p>
<p align="center">Martha Munhall (serving since 1-23-19) Director of Talent Acquisition Wentworth-Douglass Hospital</p>	<p align="center">Tom O'Dowd (Serving since 3-27-22) Owner Cara Irish Pub</p>
<p align="center">Michelle Register (Service since 3-27-2022) Dover Children's Home Volunteer</p>	

## Renee E. Touhey-Childress, LICSW



### MSW Professional Experience

**Dover Children's Home** 8/2015 - Present  
Dover, NH  
*Executive Director*

- Development of programs and services
- Oversight of program and all administrative functioning
- Marketing and fundraising to make up for half the fiscal year operating budget
- Ensuring policies and procedures are developed appropriately, maintained and enforced
- Supervision of all administrative personnel

**MENTOR Network – MA MENTOR Lawrence Children's Program** 8/2012 – 8/2015  
Lawrence, MA

*Program Director*

- Provide formal weekly supervision to all managers
- Oversee daily functions of the program (i.e. intake, financials, recruiting, child and family services)
- Ensure budgets are met and followed in daily, weekly and monthly work
- Conduct investigations and write supporting documentation involving potential caretaker misconduct from foster parents
- Oversee quality assurance in the program based on DEEC Regulations, DCF Family Resource Policy and MENTOR Operating Documents
- Conduct audits of the Program's clinical and logistical requirements and oversee the follow through to ensure regulatory standards are met
- Collaborate closely with the State Team Members (i.e. Quality Assurance Manager, Area Director, Executive Director, etc.)
- Develop and facilitate management team meetings and full team meetings weekly in the program
- Identify creative interventions in working with foster parents and children
- Conduct interviews with potential employment candidates and make decisions on hiring based off a behavioral interview method
- Train all staff regarding clinical areas of focus as well as logistical and regulatory areas of focus

**Wheelock College** 8/2012-5/2014  
Boston, MA

*Faculty Field Liaison*

- Taught a Master of Social Work level Field Seminar Course that bridged the field placement experience with classroom learning
- Provided three site visits per school year to twelve students in a variety of Social Work settings
- Facilitated conversations between students and site Field Instructors regarding learning in the field and enhancing the experience for the student
- Responsible for classwork documentation and grading of students

**MENTOR Network – MA MENTOR Lawrence Children's Program** 3/2008 – 8/2012  
Lawrence, MA

*Clinical Supervisor*

- Provide at least one hour per week of formal clinical supervision to five Program Services Coordinators
- Locate appropriate trainings for Clinical Coordinators in order to encourage individual professional development
- Ensure a high quality of care is provided to the individuals served within the program
- Offer clinical support to Mentor foster parents on a consistent basis as indicated by level of ability and need

## Renee E. Touhey-Childress, LICSW

- Conduct utilization reviews for both Individual and Mentor foster parent records to ensure compliance with DEEC, DCF and MENTOR regulations
- Provide strong customer service to Lead Agencies, DCF and all other contracted collaterals
- Assist the Program Manager in administrative functions on an as needed basis
- Complete CORI waivers in a timely manner in order to be in compliance with State regulations for Mentor foster parents, household members and frequent visitors
- Enforce necessary regulations in MENTOR foster homes to ensure Client safety
- Conduct internal investigations alongside DCF Special Investigators
- Complete all necessary documentation using proficient neutral writing skills

**Team Coordinating Agency – Phoenix East Behavioral Treatment Program**  
Haverhill, MA

5/2006 – 3/2008

### **Clinical Therapist**

- Provided a therapeutic environment for twelve adolescent males in a behavioral treatment residence model
- Completed psychosocial assessments on all Individuals in the program
- Developed clinical treatment plans incorporating a DSM IV Axis diagnosis
- Collaborated effectively with collaterals and members of the family system in the treatment of the individuals
- Provided individual and family therapy with adolescents and families with significant trauma, substance abuse, and/or criminal histories
- Completed billing forms and all necessary documentation in accordance with licensing requirements
- Knowledge and utilization of the CANS assessment tool

### **Professional Affiliations/Certifications:**

Greater Dover Chamber of Commerce Board of Directors /  
Chairperson - 9/2019 – Present  
LICSW – NH License # 2085

Approved LICSW Clinical Supervisor  
TBRI Trained  
Mandt Trained  
FA/CPR

### **Clinical Practicum Internship Experience**

Home for Little Wanderers – Community Living Program at  
Coldwell Banker House  
9/2004 – 8/2005  
Norwood, MA  
MSW Practicum

Alliance for Inclusion & Prevention – After school Program  
9/2003 – 5/2004  
Roslindale, MA  
BSW Senior Practicum Intern

City Life/Vida Urbana  
9/2002 – 12/2002  
Jamaica Plain, MA  
Social Work Policy Intern

### **Education**

Wheelock College, Boston, MA  
Master of Social Work

May 2006

Wheelock College, Boston, MA  
Bachelor of Social Work  
GPA 3.1

May 2004

Bond University - Gold Coast, Australia  
Spring Study Abroad Program  
Concentration: Psychology

April 2003

## Melissa LaRocque, MSCJ

### CORE COMPETENCIES

Program Improvement  
Training Development  
Board of Director Interaction  
Data collection & analysis

Proactive & Effective  
Relationship Building  
Strategic Planning  
Mentoring Relationships

Results/Goal Driven  
Growth Initiatives  
Effective Leadership  
Culture of Openness

### PROFESSIONAL EXPERIENCE

#### Director of Operations | Dover Children's Home | Dover NH

10/22 - Present

*Title Change to reflect current job responsibilities. Cover for Executive Director and ensure all compliance for state, federal, and accreditation regulations.*

#### Quality Improvement Specialist & Program Director | Dover Children's Home | Dover NH

05/16 - 10/22

##### Quality Improvement Specialist

- **Created** and implemented numerous standard operating procedures and policies to support 'CARF accreditation' that remains ongoing. Created work groups amongst the Administration for initial and ongoing CARF expectations. Achieved a 3-year CARF accreditation with no recommendations in June 2021 for the organization.
- **Networked** and collaborated with other agencies to enhance the knowledge and understanding of CARF standards and their application to the DCH residential group home. Attended a national CARF training to support the understanding of the performance improvement plan required to be submitted annually by the agency.
- **Implemented numerous new trainings** for the agency and created training materials in areas of health & safety, financial policies, various clinical subjects, new hire orientation training amongst other topics
- **Collaborated** with the Executive Director and the Board of Director members in defining the strategic plan and priorities of the organization by supporting the engagement of all parties involved.

##### Program Director

- **Administered** the day-to-day operations of Dover Children's Home of adolescents providing leadership and direction in the screening of youth, working with stakeholders and state agencies assessing and collaborating the treatment services for youth in care.
- **Maintained** a positive work environment by providing a culture of openness, collaboration, and cooperation for the adolescents to deliver structure and program commitments resulting in excellence.

- **Managed** the hiring and staffing of the residential program 24/7, including staff training, personnel files management, and helping with the licensing and state certifications for the operation of the program to ensure compliancy.

**Program Supervisor | The Key Program, Inc | Methuen, MA**  
05/16

03/08 -

- **Promoted** from Residential Counselor through the tiers of positions to Program Supervisor to oversee the day-to-day operations of the residential group home accessing and screening the intakes brought in.
- **Assisted** troubled youths and their families with the development of positive life skills and experiences to teach them how to pursue productive and rewarding lives.
- **Recruited** staff with the knowledge and hands-on experience needed for an intensive supervision and training environment in a 24/7 program.
- **Participated** heavily in crisis support and on call support for mental health screenings and acute crisis needs of youth to help them feel they were safe.

**Child Protective Service Worker / NH Division for Children, Youth & Families/ Nashua, NH**  
2010-2013

- **Supported** and protected children in the NH State Child Protection System with a strong voice proactively and effectively to ensure their safety, as well as protecting their rights, which changed the course of their lives in many cases.
- **Strategized** with families' ways to problem solve, create safety plans for their families, and access social service resources to help strengthen their home and parenting skills.

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**EDUCATION & HONORS**

**Roger Williams University | Bristol, RI**  
3.98 GPA

May 2010 |

**Masters in criminal justice** - course work focused on juvenile delinquency and family violence issues. Research methods and statistical analysis required competency exams passed.

**University of New Hampshire | Durham, NH**  
GPA

May 2008 | 3.8

**Bachelors in arts of Sociology** - relevant coursework in the sociology of gender & sexual violence against women

***Attendee to Inaugural Conference of President Obama from academic invite on political issues during graduate school.***

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**OTHER QUALIFICATIONS OF INTEREST**

Worked 3 years in NH State's Child Welfare System  
5+ years as Program Director | 10+ years in Residential Group Homes  
MANDT Certified Trainer (de-escalation and restraint)  
First Aid / CPR Certified Trainer  
Trauma informed care practice and staff trainer  
TBRI practitioner

**Board of Director member for 'Brigid's House of Hope'**

**Dover Children's Home**

**Key Personnel**

**Contract SS-2023-DBH-02-WORKF-03**

<b>TITLE:</b>	<b>NAME:</b>	<b>ANNUAL SALARY:</b>	<b>PAID BY CONTRACT:</b>
<b>Executive Director</b>	<b>Renee Touhey-Childress, MSW, LICSW</b>	<b>\$104,728</b>	<b>\$10,472.80</b>
<b>Director of Operations</b>	<b>Melissa LaRocque, MSCJ</b>	<b>\$89,111.48</b>	<b>\$8,911.15</b>



## Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

**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 Easter Seals New Hampshire, Inc.		1.4 Contractor Address 555 Auburn Street Manchester, NH 03101	
1.5 Contractor Phone Number 603-623-8863	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by: <i>Lisabritt Solsky Stevens</i> Date: 10/4/2022		1.12 Name and Title of Contractor Signatory Lisabritt solsky stevens Chief Government Relation	
1.13 State Agency Signature DocuSigned by: <i>Katja S. Fox</i> Date: 10/4/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>Robert Guerin</i> On: 10/4/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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

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

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

**9. TERMINATION.**

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

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

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

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

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

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

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

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

Contractor Initials   LSS    
Date   10/4/2022

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

**14. INSURANCE.**

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

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

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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its Plan within five (5) days of notification of non-approval from the Department.

- 1.6. The Contractor must implement the Plan immediately upon notification of Department approval.
- 1.7. Reporting
  - 1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:
    - 1.7.1.1. Youth Served.
    - 1.7.1.2. Workforce, including, but not limited to:
      - 1.7.1.2.1. Total Staffing.
      - 1.7.1.2.2. Resignations.
      - 1.7.1.2.3. Vacant Positions.
      - 1.7.1.2.4. Offers.
  - 1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

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

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

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

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

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

**3.3. Credits and Copyright Ownership**

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

- 3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

- 3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

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

- 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

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

- 4.1. The Contractor must keep records that include, but are not limited to:
- 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
  - 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:

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

6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
  - 9.1. 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:
    - 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
    - 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
    - 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
  - 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.



New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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

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Exhibit D

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

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

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



New Hampshire Department of Health and Human Services

Exhibit D

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

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

(3) **Obligations and Activities of Business Associate.**

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

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

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

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

**Exhibit D**

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity; to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

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

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Exhibit D  
Health Insurance Portability  
Act Business Associate  
Agreement Page 5 of 6

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New Hampshire Department of Health and Human Services

Exhibit D

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

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

Department of Health and Human Services

Easterseals NH

The State

Name of the Contractor

*Katja S. Fox*

*Lisabritt Solsky Stevens*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Lisabritt Solsky Stevens

Name of Authorized Representative

Name of Authorized Representative

Director

Chief Government Relations & Compliance Officer

Title of Authorized Representative

Title of Authorized Representative

10/4/2022

10/4/2022

Date

Date

# 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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

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

New Hampshire Department of Health and Human Services

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DHHS Information Security Requirements



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

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

**II. METHODS OF SECURE TRANSMISSION OF DATA**

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

New Hampshire Department of Health and Human Services

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DHHS Information Security Requirements



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

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

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

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

**A. Retention**

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

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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



New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

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

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

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

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

**Exhibit E**

**DHHS Information Security Requirements**



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

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

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

# 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 EASTER SEALS NEW HAMPSHIRE, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 06, 1967. 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: 61290

Certificate Number: 0005774611



IN TESTIMONY WHEREOF,

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

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

David M. Scanlan  
Secretary of State

**CERTIFICATE OF AUTHORITY**

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

1. I am a duly elected Clerk/Secretary/Officer of Easter Seals New Hampshire, Inc.  
(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 February 9, 2022, at which a quorum of the Directors/shareholders were present and voting.  
(Date)


**VOTED: That Maureen Beauregard, President & CEO; Lisabritt Solsky Stevens, Chief Growth Officer; Catherine Kuhn, Chief Training, Policy & Research Officer; and Tina Sharby (Chief Human Resources Officer)** (may list more than one person)  
(Name and Title of Contract Signatory)

are duly authorized on behalf of Easter Seals New Hampshire, Inc. 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: 10/4/2022

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

Client#: 497072

EASTESEA7

**ACORD**<sup>TM</sup>

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
8/19/2022

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

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

PRODUCER <b>USI Insurance Services LLC</b> 3 Executive Park Drive, Suite 300 Bedford, NH 03110 855 874-0123	CONTACT NAME: <b>Linda Jaeger, CIC</b>
	PHONE (A/C, No, Ext): <b>855 874-0123</b> FAX (A/C, No): E-MAIL ADDRESS: <b>linda.jaeger@usi.com</b>
INSURED <b>Easter Seals New Hampshire, Inc.</b> 555 Auburn Street Manchester, NH 03103	INSURER(S) AFFORDING COVERAGE      NAIC # INSURER A: <b>Philadelphia Indemnity Insurance Co.</b> <b>18058</b>
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES      CERTIFICATE NUMBER:      REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	INSR W/ID	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Professional Liab GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	X	X	PHPK2454548	09/01/2022	09/01/2023	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMPOP AGG \$3,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	PHPK2454546	09/01/2022	09/01/2023	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10K	X	X	PHUB829174	09/01/2022	09/01/2023	EACH OCCURRENCE \$15,000,000 AGGREGATE \$15,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N    N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE    OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	EDP			PHPK2454548	09/01/2022	09/01/2023	\$1,619,050 Special Form Incl Theft \$500 Deductible

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Supplemental Names\*: Easter Seals ME, Inc., Manchester Alcohol Rehabilitation Center, Inc., dba The Farnum Center, Easter Seals VT, Inc.,\*. The General Liability policy Includes a Blanket Automatic Additional Insured Endorsement that provides Additional Insured and a Blanket Waiver of Subrogation status to the Certificate Holder, only when there is a written contract or written agreement between the Named Insured and the Certificate Holder that requires such status, and only with regard to the above referenced on (See Attached Descriptions)

CERTIFICATE HOLDER Department of Health & Human Services, State of NH 129 Pleasant Street Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>See list</i>

**DESCRIPTIONS (Continued from Page 1)**

behalf of the Named Insured. The General Liability policy contains a special endorsement with "Primary and Non-Contributory" wording.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/30/2021

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

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

<b>PRODUCER</b> Hays Companies Inc. 133 Federal Street, 4th Floor  Boston, MA 02110	<b>CONTACT NAME:</b> Courtney Mitchell. <b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____ <b>E-MAIL ADDRESS:</b> cmitchell@hayscompanies.com <b>INSURER(S) AFFORDING COVERAGE</b> <span style="float: right;"><b>NAIC #</b></span> <b>INSURER A:</b> The North River Insurance Company <span style="float: right;"><b>21105</b></span> <b>INSURER B:</b> _____ <b>INSURER C:</b> _____ <b>INSURER D:</b> _____ <b>INSURER E:</b> _____ <b>INSURER F:</b> _____
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**COVERAGES** **CERTIFICATE NUMBER: 22-23 WC** **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____						EACH OCCURRENCE \$ _____ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ _____ MED EXP (Any one person) \$ _____ PERSONAL & ADV INJURY \$ _____ GENERAL AGGREGATE \$ _____ PRODUCTS - COMP/POP AGG \$ _____ _____ \$ _____
	AUTOMOBILE LIABILITY  <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ _____ BODILY INJURY (Per person) \$ _____ BODILY INJURY (Per accident) \$ _____ PROPERTY DAMAGE (Per accident) \$ _____ _____ \$ _____
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED \$ _____ RETENTION \$ _____						EACH OCCURRENCE \$ _____ AGGREGATE \$ _____ _____ \$ _____
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A	406-738254-6	1/1/2022	1/1/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
 Insured includes Manchester Alcoholism Rehabilitation Inc.. dba Farnum Center

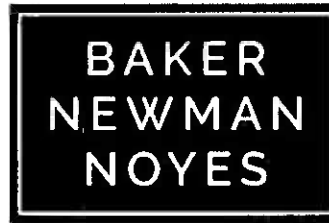
<b>CERTIFICATE HOLDER</b>  Department of Health and Human Services 129 Pleasant Street Concord, NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  James Hays/CEMITC <span style="float: right;"><i>JH</i></span>
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**Mission:**

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



**Easter Seals New Hampshire, Inc.  
and Subsidiaries**

Consolidated Financial Statements and  
Other Financial Information

*Years Ended August 31, 2021 and 2020  
With Independent Auditors' Report*

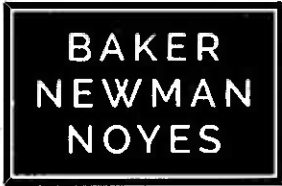
**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2021 and 2020

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Baker Newman & Noyes LLC  
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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH), which comprise the consolidated statements of financial position as of August 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Easter Seals NH as of August 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of Easter Seals New Hampshire, Inc. and Subsidiaries' 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 Easter Seals New Hampshire's, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Baker Newman & Noyes LLC  
Manchester, New Hampshire  
December 14, 2021

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$14,389,013	\$ 8,234,594
Restricted cash	82,461	-
Short-term investments, at fair value	10,681,421	3,555,005
Program and other accounts receivable	8,593,338	9,046,180
Contributions receivable, net	224,865	329,945
Prepaid expenses and other current assets	<u>633,702</u>	<u>700,139</u>
Total current assets	34,604,800	21,865,863
Assets limited as to use	2,357,939	2,154,522
Investments, at fair value	15,889,181	13,850,923
Other assets	378,877	143,015
Fixed assets, net	<u>29,899,801</u>	<u>28,462,718</u>
	<u>\$83,130,598</u>	<u>\$66,477,041</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 2,312,551	\$ 2,000,480
Accrued expenses	6,895,135	7,155,936
Deferred revenue	1,862,583	1,339,654
Current portion of interest rate swap agreement	387,067	389,577
Current portion of long-term debt	<u>1,222,914</u>	<u>2,198,630</u>
Total current liabilities	12,680,250	13,084,277
Other liabilities	2,682,812	2,154,522
Interest rate swap agreement, less current portion	1,851,184	2,507,497
Long-term debt, less current portion, net	<u>28,771,371</u>	<u>18,746,040</u>
Total liabilities	45,985,617	36,492,336
Net assets:		
Without donor restrictions	31,026,464	23,812,787
With donor restrictions	<u>6,118,517</u>	<u>6,171,918</u>
Total net assets	<u>37,144,981</u>	<u>29,984,705</u>
	<u>\$83,130,598</u>	<u>\$66,477,041</u>

See accompanying notes.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Public support:			
Contributions, net	\$ 732,689	\$ 327,971	\$ 1,060,660
Special events, net of related direct costs of \$643,937	1,171,144	208,832	1,379,976
Annual campaigns, net of related direct costs of \$42,502	418,831	37,458	456,289
Bequests	4,091	-	4,091
Net assets released from restrictions	<u>837,627</u>	<u>(837,627)</u>	<u>-</u>
Total public support	3,164,382	(263,366)	2,901,016
Revenue:			
Fees and tuition	60,020,761	-	60,020,761
Grants	33,096,374	-	33,096,374
Dividend and interest income	625,522	8,878	634,400
Rental income	29,775	-	29,775
Other	<u>549,546</u>	<u>-</u>	<u>549,546</u>
Total revenue	<u>94,321,978</u>	<u>8,878</u>	<u>94,330,856</u>
Total public support and revenue	97,486,360	(254,488)	97,231,872
Operating expenses:			
Program services:			
Public health education	42,458	-	42,458
Professional education	3,192	-	3,192
Direct services	<u>82,595,976</u>	<u>-</u>	<u>82,595,976</u>
Total program services	82,641,626	-	82,641,626
Supporting services:			
Management and general	9,427,520	-	9,427,520
Fundraising	<u>1,249,556</u>	<u>-</u>	<u>1,249,556</u>
Total supporting services	<u>10,677,076</u>	<u>-</u>	<u>10,677,076</u>
Total functional expenses	93,318,702	-	93,318,702
Support of National programs	<u>105,185</u>	<u>-</u>	<u>105,185</u>
Total operating expenses	<u>93,423,887</u>	<u>-</u>	<u>93,423,887</u>
Increase (decrease) in net assets from operations	4,062,473	(254,488)	3,807,985

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

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

Year Ended August 31, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Other non-operating expenses, gains and losses:			
Change in fair value of interest rate swap	\$ 658,823	\$ -	\$ 658,823
Net unrealized and realized gains on investments, net	1,830,767	201,783	2,032,550
Decrease in fair value of beneficial interest in trust held by others	-	(696)	(696)
Loss on sales and disposals of fixed assets	(40,958)	-	(40,958)
Contribution of net assets from acquisition – see Note 15	<u>702,572</u>	<u>-</u>	<u>702,572</u>
	<u>3,151,204</u>	<u>201,087</u>	<u>3,352,291</u>
Total increase (decrease) in net assets	7,213,677	(53,401)	7,160,276
Net assets at beginning of year	<u>23,812,787</u>	<u>6,171,918</u>	<u>29,984,705</u>
Net assets at end of year	<u>\$31,026,464</u>	<u>\$6,118,517</u>	<u>\$37,144,981</u>

See accompanying notes.



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

Year Ended August 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Public support:			
Contributions, net	\$ 635,769	\$ 560,250	\$ 1,196,019
Special events, net of related direct costs of \$796,900	771,249	86,820	858,069
Annual campaigns, net of related direct costs of \$87,600	369,157	62,978	432,135
Bequests	221,908	-	221,908
Net assets released from restrictions	<u>755,040</u>	<u>(755,040)</u>	<u>-</u>
Total public support	2,753,123	(44,992)	2,708,131
Revenue:			
Fees and tuition	63,063,228	-	63,063,228
Grants	28,717,978	-	28,717,978
Dividend and interest income	580,379	18,073	598,452
Rental income	34,045	-	34,045
Other	<u>524,750</u>	<u>-</u>	<u>524,750</u>
Total revenue	<u>92,920,380</u>	<u>18,073</u>	<u>92,938,453</u>
Total public support and revenue	95,673,503	(26,919)	95,646,584
Operating expenses:			
Program services:			
Public health education	129,094	-	129,094
Professional education	10,963	-	10,963
Direct services	<u>84,460,373</u>	<u>-</u>	<u>84,460,373</u>
Total program services	84,600,430	-	84,600,430
Supporting services:			
Management and general	8,802,004	-	8,802,004
Fundraising	<u>891,482</u>	<u>-</u>	<u>891,482</u>
Total supporting services	<u>9,693,486</u>	<u>-</u>	<u>9,693,486</u>
Total functional expenses	94,293,916	-	94,293,916
Support of National programs	<u>83,093</u>	<u>-</u>	<u>83,093</u>
Total operating expenses	<u>94,377,009</u>	<u>-</u>	<u>94,377,009</u>
Increase (decrease) in net assets from operations	1,296,494	(26,919)	1,269,575

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

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

Year Ended August 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Other non-operating expenses, gains and losses:			
Change in fair value of interest rate swap	\$ (242,081)	\$ -	\$ (242,081)
Net unrealized and realized gains on investments, net	711,416	94,474	805,890
Increase in fair value of beneficial interest in trust held by others	-	21,320	21,320
Other non-operating gains	<u>1,502</u>	<u>-</u>	<u>1,502</u>
	<u>470,837</u>	<u>115,794</u>	<u>586,631</u>
Total increase in net assets	1,767,331	88,875	1,856,206
Net assets at beginning of year	<u>22,045,456</u>	<u>6,083,043</u>	<u>28,128,499</u>
Net assets at end of year	<u>\$23,812,787</u>	<u>\$6,171,918</u>	<u>\$29,984,705</u>

See accompanying notes.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2021

	Program Services				Supporting Services			Total Program and Supporting Services Expenses	
	Public Health Education	Profes- sional Education	Direct Services	Total	Manage- ment and General	Fund- Raising	Total	2021	2020
Salaries and related expenses	\$ 11,096	\$ —	\$64,176,399	\$64,187,495	\$6,044,992	\$ 870,368	\$ 6,915,360	\$71,102,855	\$72,786,243
Professional fees	17,291	—	7,842,755	7,860,046	2,100,809	164,328	2,265,137	10,125,183	9,192,052
Supplies	790	—	1,989,877	1,990,667	131,147	39,046	170,193	2,160,860	2,332,888
Telephone	—	—	513,962	513,962	184,045	1,810	185,855	699,817	680,452
Postage and shipping	—	—	25,110	25,110	19,618	7,956	27,574	52,684	53,535
Occupancy	—	—	2,389,582	2,389,582	338,318	70,122	408,440	2,798,022	2,765,081
Outside printing, artwork and media	5,090	—	4,927	10,017	5,130	5,852	10,982	20,999	51,796
Travel	7	—	1,236,068	1,236,075	13,024	1,686	14,710	1,250,785	1,538,838
Conventions and meetings	—	3,192	55,272	58,464	16,905	2,432	19,337	77,801	201,166
Specific assistance to individuals	—	—	1,379,455	1,379,455	108	—	108	1,379,563	962,562
Dues and subscriptions	—	—	25,725	25,725	13,398	4,003	17,401	43,126	33,721
Minor equipment purchases and equipment rentals	775	—	153,295	154,070	158,601	4,137	162,738	316,808	307,379
Ads, fees and miscellaneous	7,409	—	222,711	230,120	84,777	73,409	158,186	388,306	533,260
Interest	—	—	764,208	764,208	144,791	—	144,791	908,999	936,518
Depreciation and amortization	—	—	1,816,630	1,816,630	171,857	4,407	176,264	1,992,894	1,952,115
Miscellaneous business tax	—	—	—	—	—	—	—	—	(33,690)
	<u>\$42,458</u>	<u>\$ 3,192</u>	<u>\$82,595,976</u>	<u>\$82,641,626</u>	<u>\$9,427,520</u>	<u>\$1,249,556</u>	<u>\$10,677,076</u>	<u>\$93,318,702</u>	<u>\$94,293,916</u>
	0.05%	0.00%	88.51%	88.56%	10.10%	1.34%	11.44%	100.00%	100.00%

See accompanying notes.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2020

	Program Services				Supporting Services			Total Program and Supporting Services Expenses
	Public Health Education	Profes- sional Education	Direct Services	Total	Manage- ment and General	Fund- Raising	Total	2020
Salaries and related expenses	\$ 63,997	\$ -	\$66,101,195	\$66,165,192	\$ 5,930,175	\$690,876	\$6,621,051	\$72,786,243
Professional fees	16,450	-	7,431,705	7,448,155	1,692,500	51,397	1,743,897	9,192,052
Supplies	1,403	-	2,250,675	2,252,078	53,836	26,974	80,810	2,332,888
Telephone	-	-	472,978	472,978	203,806	3,668	207,474	680,452
Postage and shipping	670	-	24,322	24,992	19,191	9,352	28,543	53,535
Occupancy	-	-	2,375,772	2,375,772	323,638	65,671	389,309	2,765,081
Outside printing, artwork and media	15,707	-	9,823	25,530	10,063	16,203	26,266	51,796
Travel	20	-	1,517,141	1,517,161	16,319	5,358	21,677	1,538,838
Conventions and meetings	17,258	10,963	106,513	134,734	57,268	9,164	66,432	201,166
Specific assistance to individuals	-	-	962,562	962,562	-	-	-	962,562
Dues and subscriptions	451	-	22,833	23,284	8,849	1,588	10,437	33,721
Minor equipment purchases and equipment rentals	775	-	192,132	192,907	113,204	1,268	114,472	307,379
Ads, fees and miscellaneous	12,363	-	452,113	464,476	63,974	4,810	68,784	533,260
Interest	-	-	766,789	766,789	169,729	-	169,729	936,518
Depreciation and amortization	-	-	1,807,510	1,807,510	139,452	5,153	144,605	1,952,115
Miscellaneous business tax	-	-	(33,690)	(33,690)	-	-	-	(33,690)
	<u>\$129,094</u>	<u>\$10,963</u>	<u>\$84,460,373</u>	<u>\$84,600,430</u>	<u>\$8,802,004</u>	<u>\$891,482</u>	<u>\$9,693,486</u>	<u>\$94,293,916</u>
	0.14%	0.01%	89.57%	89.72%	9.33%	0.95%	10.28%	100.00%

See accompanying notes.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase in net assets	\$ 7,160,276	\$ 1,856,206
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,992,894	1,952,115
Bond issuance costs amortization	6,110	6,110
Increase in fair value of beneficial interest in trust held by others	696	(21,320)
Net loss (gain) on sales and disposals of fixed assets	40,958	(1,053)
Change in fair value of interest rate swap	(658,823)	242,081
Gain on conversion of long-term debt to grant revenue	(1,140,000)	-
Net unrealized and realized gains on investments, net	(2,032,550)	(805,890)
Donor restricted contributions	(327,971)	(560,250)
Contribution of net assets from acquisition	(702,572)	-
Changes in operating assets and liabilities:		
Program and other accounts receivable	706,473	2,362,020
Contributions receivable	105,080	169,271
Prepaid expenses and other current assets	77,756	(177,703)
Other assets	16,437	18,231
Accounts payable and accrued expenses	22,693	100,912
Deferred revenue	496,622	956,366
Other liabilities	<u>191,374</u>	<u>346,935</u>
Net cash provided by operating activities	5,955,453	6,444,031
Cash flows from investing activities:		
Purchases of fixed assets	(2,184,030)	(1,031,798)
Proceeds from sale of fixed assets	20,323	2,660
Change in investments, net	(7,132,124)	(711,622)
Change in assets limited as to use	(203,417)	56,982
Cash, cash equivalents and restricted cash acquired from acquisition	<u>365,413</u>	<u>-</u>
Net cash used by investing activities	(9,133,835)	(1,683,778)
Cash flows from financing activities:		
Repayment of long-term debt	(1,074,073)	(1,619,767)
Proceeds from long-term debt	10,161,364	1,192,103
Donor restricted contributions	<u>327,971</u>	<u>560,250</u>
Net cash provided by financing activities	<u>9,415,262</u>	<u>132,586</u>

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

Years Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Increase in cash, cash equivalents and restricted cash	\$ 6,236,880	\$ 4,892,839
Cash, cash equivalents and restricted cash, beginning of year	<u>8,234,594</u>	<u>3,341,755</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$14,471,474</u>	<u>\$ 8,234,594</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ <u>875,000</u>	\$ <u>934,000</u>

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**1. Corporate Organization and Purpose**

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of various separate nonprofit entities: Easter Seals New Hampshire, Inc. (parent and service corporation); Easter Seals Maine, Inc. (Easter Seals ME); Manchester Alcoholism Rehabilitation Center (Farnum Center); and Easter Seals Vermont, Inc. (Easter Seals VT). Easter Seals New Hampshire, Inc. is the sole member of each subsidiary. Easter Seals NH is affiliated with Easter Seals, Inc. (the national headquarters for the organization).

Easter Seals NH's purpose is to provide (1) programs and services for people with disabilities and other special needs, (2) assistance to people with disabilities and their families, (3) assistance to communities in identifying and developing needed services for residents, and (4) a climate of acceptance for people with disabilities and other special needs which will enable them to contribute to the well-being of the community. Easter Seals NH operates programs throughout New Hampshire, Maine, and Vermont.

**2. Summary of Significant Accounting Policies**

*Principles of Consolidation*

The consolidated financial statements include the accounts of Easter Seals New Hampshire, Inc. and the subsidiaries of which it is the sole member as described in note 1. Significant intercompany accounts and transactions have been eliminated in consolidation.

*Cash, Cash Equivalents and Restricted Cash*

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

Easter Seals NH maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. Financial instruments which subject Easter Seals NH to credit risk consist primarily of cash equivalents and investments. Easter Seals NH's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the Lord Abbett Short Duration Income A Fund with a balance of \$9,677,021 and \$3,555,005 as of August 31, 2021 and 2020, respectively.

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

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**2. Summary of Significant Accounting Policies (Continued)**

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$14,389,013	\$8,234,594
Restricted cash	<u>82,461</u>	<u>—</u>
	<u>\$14,471,474</u>	<u>\$8,234,594</u>

**Assets Limited as to Use and Investments**

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

**Beneficial Interest in Trust**

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

**Fixed Assets**

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

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

Donated property and equipment not subject to donor stipulated conditions is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support or, if significant uncertainties exist, as deferred revenue pending resolution of the uncertainties. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. See also note 8.



**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**2. Summary of Significant Accounting Policies (Continued)**

Long-Lived Assets

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

No long-lived assets were deemed impaired at August 31, 2021 and 2020.

Bond Issuance Costs

Bond issuance costs are being amortized to interest expense using the straight-line method over the repayment period of the related bonds, or the expected time until the next refinancing, whichever is shorter. Interest expense recognized on the amortization of bond issuance costs during 2021 and 2020 was \$6,110. The bond issuance costs are presented as a component of long-term debt on the accompanying consolidated statements of financial position.

Revenue Recognition and Program and Other Accounts Receivable

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

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

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

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

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

#### 2. Summary of Significant Accounting Policies (Continued)

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

The collection of outstanding receivables from third-party payors, patients and other clients is Easter Seals NH's primary source of cash and is critical to its operating performance. The primary collection risks relate to uninsured accounts, including accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but individual responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients and other clients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities and programs that represent a majority of revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectability of accounts receivable. Management performs the hindsight analysis regularly, utilizing rolling accounts receivable collection and write-off data. Management believes its regular updates to the estimated implicit price concession amounts provides reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations. At August 31, 2021 and 2020, estimated implicit price concessions of \$1,079,600 and \$1,345,100, respectively, had been recorded as reductions to program and other accounts receivable balances to enable Easter Seals NH to record revenues and accounts receivable at the estimated amounts expected to be collected.

Unconditional contributions are recognized when pledged.

#### Advertising

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

#### Functional Allocation of Expenses

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

#### Charity Care (Unaudited)

Easter Seals NH has a formal charity care policy under which program fees are subsidized as determined by the Board of Directors. Free and subsidized services are rendered in accordance with decisions made by the Board of Directors and, at established charges, amounted to approximately \$6,850,000 and \$6,494,000 for the years ended August 31, 2021 and 2020, respectively.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

#### 2. Summary of Significant Accounting Policies (Continued)

##### Income Taxes

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

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

Management has evaluated tax positions taken by Easter Seals New Hampshire, Inc. and its subsidiaries on their respective filed tax returns and concluded that the organizations have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements.

##### Use of Estimates

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

##### Derivatives and Hedging Activities

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

As of August 31, 2021, and 2020, Easter Seals NH had recognized a liability of \$2,238,251 and \$2,897,074, respectively, as a result of the interest rate swap agreements discussed in note 11. As a result of changes in the fair value of these derivative financial instruments, Easter Seals NH recognized an increase in net assets of \$658,823 and a decrease in net assets of \$242,081 for the years ended August 31, 2021 and 2020, respectively, in the accompanying consolidated statements of activities and changes in net assets.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**2. Summary of Significant Accounting Policies (Continued)**

Increase (Decrease) in Net Assets from Operations

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of services are reported as revenue and expenses that comprise the increase (decrease) in net assets from operations. The primary transactions reported as other non-operating expenses, gains and losses include the adjustment to fair value of interest rate swaps, the change in the fair value of beneficial interest in trust held by others, gains and losses on sales and disposals of fixed assets, the contribution of assets from affiliation (see note 15) and net realized and unrealized gains and losses on investments.

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The COVID-19 outbreak could negatively impact, for some period of time, the overall economy as well as certain business segments. Investment markets have experienced increased volatility which may negatively affect the carrying value of Easter Seals NH's investments. The pandemic resulted in the temporary closure of some of Easter Seals NH's programs and reduction in size of other programs from March 2020 through August 2021. The State of New Hampshire has since eased restrictions and lifted certain limitations on capacity restrictions. While Easter Seals NH's revenues have experienced gradual improvement since 2020, uncertainty still exists as the future is unpredictable. Easter Seals NH's pandemic response plan continues to evolve as the pandemic unfolds. In response to the pandemic, Easter Seals NH did qualify for certain federal grant funding through the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) and CARES Act Provider Relief Funding totaling approximately \$10,500,000 for the time period of April 2020 through August 2021, of which approximately \$4,600,000 was passed through to employees that qualified for the additional payments under certain programs. Easter Seals NH also entered into a Payroll Protection Program loan in 2021 (see note 11). Easter Seals NH believes the extent of the COVID-19 pandemic's adverse impact on operating results and financial condition has been and will continue to be driven by various factors, most of which are beyond its control and ability to forecast. The primary factors include, but are not limited to, the scope and duration of business closures and restrictions. Because of this and other uncertainties, Easter Seals NH cannot estimate the length or severity of the impact of the pandemic on its operations.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported total net assets.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

**2. Summary of Significant Accounting Policies (Continued)****Recent Accounting Pronouncements**

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases*, which seeks to clarify ASU 2016-02 with respect to certain aspects of the update and ASU 2018-11, *Leases (Topic 842) – Targeted Improvements*, which provides transition relief on comparative reporting upon adoption of the ASU. The guidance is effective for Easter Seals NH on September 1, 2022, with early adoption permitted. Management is currently evaluating the impact of the pending adoption of ASU 2016-02 on Easter Seals NH's consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 was effective for Easter Seals NH on September 1, 2019 as the resource recipient and was effective on September 1, 2020 as the resource provider. Adoption of this standard as the resource recipient and resource provider did not result in a significant change in these consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820) – Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The objective of this update is to improve the effectiveness of disclosures in the notes to the financial statements by facilitating clear communication of the information required by U.S. GAAP that is most important to users of each entity's financial statements. The amendments in this update modify certain disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*. Easter Seals NH adopted ASU 2018-13 effective September 1, 2020 and the adoption of this standard did not have a significant impact on its consolidated financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 enhances the presentation of disclosure requirements for contributed nonfinancial assets. ASU 2020-07 requires entities to present contributed nonfinancial assets as a separate line item in the statements of activities and disclose the amount of contributed nonfinancial assets recognized within the statements of activities by category that depicts the type of contributed nonfinancial assets, as well as a description of any donor-imposed restrictions associated with the contributed nonfinancial assets and the valuation techniques used to arrive at a fair value measure at initial recognition. ASU 2020-07 is effective for Easter Seals NH, beginning September 1, 2021. Easter Seals NH is currently evaluating the impact of the pending adoption of ASU 2020-07 on its consolidated financial statements however does not anticipate it will result in a significant change.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

#### 2. Summary of Significant Accounting Policies (Continued)

##### Subsequent Events

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated events occurring between the end of Easter Seals NH's fiscal year end and December 14, 2021, the date these consolidated financial statements were available to be issued.

Effective November 13, 2021, Farnum Center will no longer provide certain residential treatments at its Franklin, New Hampshire location and Easter Seals VT will no longer offer military and veteran services in Vermont, including no longer conducting Veterans Count fundraising activities in Vermont. Additionally, Easter Seals NH concluded it will exit all operations and providing services in the state of Maine by December 31, 2021. Easter Seals NH estimates that discontinuing these programs will result in a decrease of revenue of approximately \$7 million in 2022. No impairment of long-lived assets associated with these programs is anticipated.

#### 3. Classification of Net Assets

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

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

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

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

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

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

3. Classification of Net Assets (Continued)Endowment Net Asset Composition by Type of Fund

The major categories of endowment funds included in net assets with donor restrictions at August 31, 2021 and 2020 are as follows:

	Original Donor Restricted Gift Maintained in Perpetuity	Accumulated Investment Gains	Total
<u>2021</u>			
Other initiatives	\$ 1,437,096	\$ 227,759	\$ 1,664,855
Operations	<u>3,712,974</u>	<u>-</u>	<u>3,712,974</u>
Total endowment net assets	<u>\$ 5,150,070</u>	<u>\$ 227,759</u>	<u>\$ 5,377,829</u>
<u>2020</u>			
Other initiatives	\$ 1,419,771	\$ 148,385	\$ 1,568,156
Operations	<u>3,688,378</u>	<u>-</u>	<u>3,688,378</u>
Total endowment net assets	<u>\$ 5,108,149</u>	<u>\$ 148,385</u>	<u>\$ 5,256,534</u>

Changes in Endowment Net Assets

During the years ended August 31, 2021 and 2020, Easter Seals NH had the following endowment-related activities:

Net endowment assets, August 31, 2019	\$ 5,069,811
Investment return:	
Investment income, net of fees	36,927
Net appreciation (realized and unrealized), net	32,707
Contributions	119,806
Appropriated for expenditure	<u>(2,717)</u>
Net endowment assets, August 31, 2020	5,256,534
Investment return:	
Investment income, net of fees	105,151
Net appreciation (realized and unrealized), net	56,955
Contributions	41,921
Appropriated for expenditure	<u>(82,732)</u>
Net endowment assets, August 31, 2021	<u>\$ 5,377,829</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**3. Classification of Net Assets (Continued)**

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

	<u>2021</u>	<u>2020</u>
Satisfaction of donor restrictions	\$754,895	\$752,323
Release of appropriated endowment funds	<u>82,732</u>	<u>2,717</u>
	<u>\$837,627</u>	<u>\$755,040</u>

In addition to endowment net assets, Easter Seals NH also maintains non-endowed funds. The major categories of non-endowment funds, at August 31, 2021 and 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Non- Endowment Net Assets</u>
<u>2021</u>			
Other initiatives	\$ 3,348,849	\$516,330	\$ 3,865,179
Operations	<u>27,677,615</u>	<u>224,358</u>	<u>27,901,973</u>
Total non-endowment net assets	<u>\$31,026,464</u>	<u>\$740,688</u>	<u>\$31,767,152</u>
<u>2020</u>			
Other initiatives	\$ 2,558,302	\$604,502	\$ 3,162,804
Operations	<u>21,254,485</u>	<u>310,882</u>	<u>21,565,367</u>
Total non-endowment net assets	<u>\$23,812,787</u>	<u>\$915,384</u>	<u>\$24,728,171</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Easter Seals NH to retain as a fund of permanent duration. Deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies between the fair value of the investments of the endowment funds and the level required by donor stipulation at August 31, 2021 or 2020.

Net assets with donor restrictions

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

	<u>2021</u>	<u>2020</u>
Purpose restriction:		
Other initiatives	\$ 516,330	\$ 604,502
Operations	<u>83,514</u>	<u>166,867</u>
	599,844	771,369



## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

3. Classification of Net Assets (Continued)

	<u>2021</u>	<u>2020</u>
Perpetual in nature:		
Original donor restricted gift amount and amounts required to be maintained by donor	\$5,171,595	\$5,132,149
Investments, gains and income from which is donor restricted	227,759	148,385
Beneficial interest in perpetual trust	<u>119,319</u>	<u>120,015</u>
	<u>5,518,673</u>	<u>5,400,549</u>
Total net assets with donor restrictions	<u>\$6,118,517</u>	<u>\$6,171,918</u>

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

Investment and Spending Policies

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

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

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

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**4. Liquidity and Availability**

Financial assets available for general expenditure, such as for operating expenses, and which are without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date (August 31, 2021), comprise the following:

Cash and cash equivalents	\$14,389,013
Short-term investments, at fair value	10,681,421
Program and other accounts receivable	8,593,338
Contributions receivable, net	<u>224,865</u>
	33,888,637
Investments, at fair value	<u>15,889,181</u>
	49,777,818
Less: net assets with donor restrictions	<u>6,118,517</u>
	<u>\$43,659,301</u>

To manage liquidity, Easter Seals NH maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to Easter Seals NH. The management of Easter Seals NH has implemented a practice to establish cash reserves on hand that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of August 31, 2021, and 2020, approximately \$10,177,000 and \$4,539,000, respectively, of cash and cash equivalents, and approximately \$10,681,000 and \$3,555,000, respectively, of investments were on-hand under this practice. At August 31, 2021 the cash reserve balances include \$10,000,000 in cash received through the Payroll Protection Program loan. See note 11 regarding forgiveness of this loan. Because such funds are available and may be used in current operations, they have been classified as current in the accompanying consolidated statements of financial position.

**5. Contributions Receivable**

Contributions receivable from donors as of August 31, 2021 and 2020 are \$236,642 and \$352,945, respectively, net of an allowance for doubtful accounts of \$27,931 and \$37,900, respectively. The long-term portion of contributions receivable are recorded in other assets in the accompanying consolidated statements of financial position. Gross contributions are due as follows at August 31, 2021:

2022	\$252,796
2023	3,397
2024	3,380
2025	2,000
2026	2,000
Thereafter	<u>1,000</u>
	<u>\$264,573</u>

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

6. Revenues

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

	<u>Fees and Tuition</u>	<u>Grants</u>	<u>Total</u>
<u>2021</u>			
Residential and educational services	\$28,646,886	\$ 982,152	\$29,629,038
Community based services	2,190,706	20,537,778	22,728,484
Farnum Center	9,104,776	3,875,518	12,980,294
Family support services	7,150,066	352,915	7,502,981
Senior services	3,831,492	2,018,562	5,850,054
Transportation services	2,999,166	36,563	3,035,729
Outpatient and early support services	1,037,854	1,580,370	2,618,224
Children development services	1,922,827	587,504	2,510,331
Workforce development	2,111,411	5,831	2,117,242
Other programs	<u>1,025,577</u>	<u>3,119,181</u>	<u>4,144,758</u>
	<u>\$60,020,761</u>	<u>\$33,096,374</u>	<u>\$93,117,135</u>
<u>2020</u>			
Residential and educational services	\$27,664,586	\$ 1,450,202	\$29,114,788
Community based services	2,460,347	19,623,362	22,083,709
Farnum Center	11,736,621	2,350,671	14,087,292
Family support services	7,107,786	41,778	7,149,564
Senior services	4,203,679	1,628,049	5,831,728
Transportation services	2,848,237	35,182	2,883,419
Children development services	2,160,115	521,157	2,681,272
Outpatient and early support services	749,605	1,690,325	2,439,930
Workforce development	2,264,498	18,033	2,282,531
Other programs	<u>1,867,754</u>	<u>1,359,219</u>	<u>3,226,973</u>
	<u>\$63,063,228</u>	<u>\$28,717,978</u>	<u>\$91,781,206</u>

Revenues related to providing health services are recorded at the contracted rate for those that involved a third-party payor and less any implicit price concession. Substantially all such adjustments in 2021 and 2020 are related to Farnum Center. A breakdown of Farnum Center's revenue reflected in fees and tuition in 2021 and 2020 from major payor sources is as follows:

	<u>2021</u>	<u>2020</u>
Private payors (includes coinsurance and deductibles)	\$2,845,213	\$ 3,308,385
Medicaid	6,243,173	8,453,760
Medicare	38,368	50,161
Self-pay	<u>(21,978)</u>	<u>(75,685)</u>
	<u>\$9,104,776</u>	<u>\$11,736,621</u>

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

7. LeasesOperating

Easter Seals NH leases certain assets under various arrangements which have been classified as operating leases. Total expense under all leases (including month-to-month leases) was approximately \$1,145,000 and \$1,191,000 for the years ended August 31, 2021 and 2020, respectively. Some of these leases have terms which include renewal options, and others may be terminated at Easter Seals NH's option without substantial penalty. Future minimum payments required under the leases in effect at August 31, 2021, through the remaining contractual term of the underlying lease agreements, are as follows:

2022	\$ 1,052,625
2023	403,129
2024	165,219
2025	43,943
2026	<u>3,575</u>
Total	<u>\$ 1,668,491</u>

8. Fixed Assets

Fixed assets consist of the following at August 31:

	<u>2021</u>	<u>2020</u>
Buildings	\$ 34,233,240	\$ 32,308,605
Land and land improvements	4,565,183	4,261,724
Leasehold improvements	79,367	83,027
Office equipment and furniture	10,032,195	10,637,421
Vehicles	2,467,043	2,536,824
Construction in progress	<u>678,379</u>	<u>34,154</u>
	52,055,407	49,861,755
Less accumulated depreciation and amortization	<u>(22,155,606)</u>	<u>(21,399,037)</u>
	<u>\$ 29,899,801</u>	<u>\$ 28,462,718</u>

Depreciation and amortization expense related to fixed assets totaled \$1,992,894 and \$1,952,115 in 2021 and 2020, respectively.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**9. Investments and Assets Limited as to Use**

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 242,131	\$ 546,327
Marketable equity securities	2,239,468	1,744,518
Mutual funds	25,484,877	16,125,311
Corporate and foreign bonds	397,883	534,722
Government and agency securities	<u>564,182</u>	<u>609,572</u>
	28,928,541	19,560,450
Less: assets limited as to use	<u>(2,357,939)</u>	<u>(2,154,522)</u>
Total investments, at fair value	<u>\$26,570,602</u>	<u>\$17,405,928</u>

The composition of assets limited as to use totaling \$2,357,939 and \$2,154,522 at August 31, 2021 and 2020, respectively, are investments under a deferred compensation plan (see note 10) at fair value.

**10. Retirement Plans**

Easter Seals NH maintains a Section 403(b) Plan (a defined contribution retirement plan), which covers substantially all employees. Eligible employees may contribute any whole percentage of their annual salary. Easter Seals NH makes a matching contribution for eligible employees equal to 100% of the participants' elective deferrals limited to 2% of the participants' allowable compensation each pay period. The combined amount of employer and employee contributions is subject by law to annual maximum amounts. The employer match was approximately \$816,000 and \$694,000 for the years ended August 31, 2021 and 2020, respectively.

Easter Seals New Hampshire, Inc. offers, to certain management personnel, the option to participate in an Internal Revenue Code Section 457 Deferred Compensation Plan to which the organization may make a discretionary contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. Easter Seals New Hampshire, Inc. contributed approximately \$84,000 and \$95,500 to this plan during the years ended August 31, 2021 and 2020, respectively. The assets and liabilities associated with this plan were \$2,357,939 and \$2,154,522 at August 31, 2021 and 2020, respectively, and are included within assets limited as to use and other liabilities in the accompanying consolidated statements of financial position.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

**11. Borrowings**

Borrowings consist of the following at August 31:

	<u>2021</u>	<u>2020</u>
Revenue Bonds, Series 2016A, tax exempt, issued through the New Hampshire Health and Education Facilities Authority (NHHEFA), with an annual LIBOR-based variable rate equal to the sum of (a) 0.6501 times one-month LIBOR (which will be replaced with a benchmark rate in 2022), plus (b) 0.6501 times 2.45% (1.65% at August 31, 2021), due in annual principal payments increasing from \$47,083 to \$62,917 with a final payment of \$6,875,413 due in May 2027, secured by a pledge of all gross revenues and negative pledge of cash, investments and real estate.	\$10,643,336	\$11,198,332
Revenue Bonds, Series 2016B, tax exempt, issued through NHHEFA, with a fixed rate at 3.47%, annual principal payments continually increasing from \$17,430 to \$21,180 with a final payment of \$4,539,703 due in May 2027, secured by a pledge of all gross revenues and negative pledge of cash, investments and real estate.	5,897,177	6,206,321
Various notes payable to a bank with fixed interest rate of 2.24%, various principal and interest payments ranging from \$150 to \$1,070 payable monthly through dates ranging from September 2021 through September 2025, secured by vehicles with a net book value of \$293,989 at August 31, 2021.	256,662	260,524
Mortgage note payable to a bank with a fixed rate of 3.25%. Principal and interest of \$12,200 payable monthly, due in February 2030, secured by an interest in certain property with a net book value of \$3,993,066 at August 31, 2021.	2,074,653	2,151,334
Note payable to the City of Rochester, New Hampshire, payable in annual payments of \$16,408, including interest at 3.35% and net of \$7,290 of principal and interest loan funding grant, through July 1, 2027, secured by an interest in certain property with a net book value of \$936,119 at August 31, 2021.	87,859	100,885
Notes payable to the State of New Hampshire, 0% interest, advance amount payable in full at date of maturity on November 30, 2020, if not forgiven.	-	1,140,000
Payroll Protection Program loan, 1% interest, advance amount payable in equal monthly payments of principal and interest commencing on the first business day after the end of the deferment period (July 31, 2022), due April 2026.	10,000,000	-
Note payable to NHHFA, 0% interest, repaid at the time of construction loan closing on the project or the project being determined infeasible by the Authority, in which case, the loan shall be forgiven, and no repayment expected.	45,000	-
Note payable to NHHFA, 0% interest, conditional repayment terms, based off surplus cash availability, due October 2031, secured by an interest in certain property with a net book value of \$767,433 at August 31, 2021.	531,486	-

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

**11. Borrowings (Continued)**

	<u>2021</u>	<u>2020</u>
Note payable to NHHFA, 0% interest, conditional repayment terms, based off surplus cash availability, due March 2040, secured by an interest in certain property with a net book value of \$523,250 at August 31, 2021.	\$ 492,448	\$ -
Note payable to the City of Manchester, New Hampshire, 0% interest, annual principal payable of \$4,518 on October 1 each year for 10 years through October 2026 can be forgiven if certain conditions are met, secured by an interest in certain property with a net book value of \$767,433 at August 31, 2021	<u>72,280</u>	<u>-</u>
	30,100,901	21,057,396
Less current portion	1,222,914	2,198,630
Less net unamortized bond issuance costs	<u>106,616</u>	<u>112,726</u>
	<u>\$28,771,371</u>	<u>\$18,746,040</u>

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

2022	\$ 1,222,914
2023	3,645,114
2024	3,693,599
2025	3,733,141
2026	2,871,255
Thereafter	<u>14,934,878</u>
	<u>\$30,100,901</u>

Lines of Credit and Other Financing Arrangements

Easter Seals New Hampshire, Inc. has an agreement with a bank for a \$500,000 revolving equipment line, which can be used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals New Hampshire on demand. Advances are converted to term notes as utilized. The interest rate charged on outstanding borrowings is a fixed rate equal to the then Business Vehicle Rate at the time of the advance for maturities up to a five-year term. Included in long-term debt are seventeen notes payable totaling \$256,662 and nineteen notes payable totaling \$260,524 at August 31, 2021 and 2020, respectively, that originated under this agreement. Availability under this agreement at August 31, 2021 and 2020 is \$243,338 and \$239,476, respectively.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**11. Borrowings (Continued)**

On August 31, 2015, Easter Seals New Hampshire, Inc. entered into a revolving line of credit with a bank. On February 26, 2019, an amendment changed the borrowing availability from \$4 million to \$7 million (a portion of which is secured by available letters of credit of \$24,000). On July 16, 2020, an amendment changed the outstanding advances from due on demand to a firm maturity date of June 30, 2022 and the interest rate charged on outstanding borrowings was revised to be the one-month LIBOR rate (which will be replaced with a benchmark rate in 2022) plus 2.25% (2.34% at August 31, 2021). Under an event of default, the interest rate will increase from the one-month LIBOR rate plus 2.25% to the then applicable interest rate plus 5.00%. The line is secured by a first priority interest in all business assets of Easter Seals New Hampshire, Inc. with guarantees from Easter Seals Vermont, Inc. and Farnum Center. The agreement requires that collective borrowings under the line of credit be reduced to \$1,000,000 for 30 consecutive days during each calendar year. There were no amounts outstanding under this revolving line of credit agreement at August 31, 2021 and 2020.

On July 16, 2020, Easter Seals New Hampshire, Inc. entered into a revolving line of credit with a bank with borrowing availability of up to \$4 million. Outstanding advances were due upon the expiration date on November 16, 2020, and the revolving line of credit was not renewed upon expiration. The interest rate charged on outstanding borrowings was the one-month LIBOR rate plus 2.25%. Under an event of default, the interest rate would increase from the one-month LIBOR rate plus 2.25% to the then applicable rate plus 5.00%. The line was secured by a first priority interest in the securities and income in a specified Easter Seals New Hampshire, Inc. bank account held with the bank. The agreement required an unused fee in the amount of 0.15% on the average daily principal amount of the unused portion.

**NHHEFA 2016A and 2016B Revenue Bonds**

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

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

**Mortgage Notes Payable**

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

Effective July 1, 2021, Easter Seals New Hampshire, Inc. has assumed responsibility of the agreement that was made between The Way Home, Inc. (the Organization) and NHHFA dated October 11, 2001 that obtained federal funding through the HOME Investment Partnership Programs (see note 15). The funds were used for improvements on 214 Spruce St in Manchester, New Hampshire. The interest rate charged is fixed at 0.00%. As defined in accordance with the regulatory agreement that expires on October 11, 2031, repayment of the balance is conditional based on if surplus cash available exceeds 25%, until the project is sold or refinanced, or upon expiration of the regulatory agreement. So long as the Organization continues to comply with the terms of the loan to provide housing and related services to low income, nearly homeless families, the Organization will not be required to repay this loan or any interest. No payments were made in 2021. The note is secured by the property.



**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**11. Borrowings (Continued)**

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

Notes Payable

Effective September 1, 2018, Easter Seals New Hampshire, Inc. has assumed responsibility for the agreement that was made between The Homemakers Health Services, Inc. and the City of Rochester, New Hampshire that obtained grants and other funding commitments to fund the costs associated with the design and construction of an extension of the City of Rochester, New Hampshire's public sewer mains to service the Organization's property in Rochester, New Hampshire. The costs associated with the extension of the sewer main were \$523,298, which was funded by grants of \$181,925 and a promissory note, payable to the City of Rochester, New Hampshire of \$341,373. The promissory note bears interest at 3.35% per annum. In addition, the City of Rochester, New Hampshire was approved for a loan funding grant in the amount of \$145,798, which consisted of the loan principal funding of \$105,018 and the loan interest funding of \$40,780. A net principal promissory note payable of \$236,355 was recorded with an issue date of July 1, 2017.

On June 25, 2020, Easter Seals New Hampshire, Inc. entered into a \$640,000 note payable with the State of New Hampshire Department of Health and Human Services COVID-19 Emergency Healthcare System Relief Fund (the Lender) to support critical services, costs of health care professionals and the purchase of personal protective equipment and cleaning/sanitization supplies due to the COVID-19 pandemic. At the Lender's discretion, this loan may be converted to a grant and forgiven. The Lender shall determine by November 30, 2020 whether it believes that any part of the funds being loaned should not be repaid in full. There is no interest paid to this note. In November 2020, a notification was received from the Lender that the full note amount was converted to a grant and forgiven.

On June 25, 2020, Farnum Center entered into a \$500,000 note payable with the State of New Hampshire Department of Health and Human Services COVID-19 Emergency Healthcare System Relief Fund (the Lender) to support critical services, costs of health care professionals and the purchase of personal protective equipment and cleaning/sanitization supplies due to the COVID-19 pandemic. At the Lender's discretion, this note may be converted to a grant and forgiven. The Lender shall determine by November 30, 2020 whether it believes that any part of the funds being loaned should not be repaid in full. There is no interest paid to this note. In October 2020, a notification was received from the Lender that the full note amount was converted to a grant and forgiven.

On October 14, 2020, Easter Seals New Hampshire, Inc. entered into agreement with NHHFA for a technical assistance loan in an amount not to exceed \$45,000 for the Rochester Supportive Housing Project (the project). The interest rate charged is fixed at 0.00%, and the loan shall be repaid at the time of construction loan closing on the project whether the project was financed with NHHFA funds or another funding source. Should the project not proceed to a closing, whether financed through NHHFA or another funding source, and the project be determined infeasible by NHHFA, then the loan shall be forgiven, and no repayment expected.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

#### 11. Borrowings (Continued)

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

#### Payroll Protection Program Loan

On April 16, 2021, Easter Seals NH entered into a promissory note for an unsecured loan in the amount of \$10,000,000 through the Paycheck Protection Program (PPP) established by the CARES Act and administered by the U.S. Small Business Administration (SBA). The PPP provides loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest had original terms that were forgivable after the covered period as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. The amount of loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the period. The PPP loan was made for the purpose of securing funding for salaries and wages of employees that may have otherwise been displaced by the outbreak of COVID-19 and the resulting detrimental impact on Easter Seals NH's business.

Easter Seals NH intends to use the proceeds for purposes consistent with the PPP. While Easter Seals NH currently believes that its use of the loan proceeds will meet conditions for forgiveness of the loan, as of the date of issuance of these financial statements, there is no assurance that Easter Seals NH will not take actions that could cause Easter Seals NH to be ineligible for forgiveness of the loan, in whole or in part. Any unforgiven portion of the PPP loan bears interest at 1%, with a deferral of payments for the first ten months. Beginning February 16, 2022, principal and interest payments for any unforgiven portion of the PPP loan will be due monthly through April 16, 2026. The PPP loan may be prepaid at any time without penalty.

Easter Seals NH has accounted for the PPP loan in accordance with the FASB ASC Topic 470 and included the full \$10,000,000 within debt in the August 31, 2021 consolidated statement of financial position.

#### Interest Rate Swap Agreement

Easter Seals New Hampshire, Inc. has an interest rate swap agreement with a bank in connection with the Series 2004A NHHEFA Revenue Bonds. On December 1, 2016, an amendment to this agreement was executed in anticipation of the refinancing of the 2004A revenue bonds to change the interest rate charged from 3.54% to 3.62% and the floating rate from LIBOR times 0.67 to LIBOR times 0.6501. The swap agreement had an outstanding notional amount of \$10,643,336 and \$11,198,332 at August 31, 2021 and 2020, respectively, which reduces in conjunction with principal reductions until the agreement is terminated in November 2034.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**11. Borrowings (Continued)**

The fair value of the above interest rate swap agreement totaled \$2,238,251 and \$2,897,074 at August 31, 2021 and 2020, respectively, \$387,067 and \$389,577 of which was current at August 31, 2021 and 2020, respectively. During the years ended August 31, 2021 and 2020, net payments required by the agreement totaled \$391,075 and \$327,834, respectively. These payments have been included in interest expense within the accompanying consolidated statements of activities and changes in net assets. See note 14 with respect to fair value determinations.

**Debt Covenants**

In connection with the bonds, lines of credit and various other notes payable described above, Easter Seals New Hampshire, Inc. is required to comply with certain financial covenants including, but not limited to, minimum liquidity and debt service coverage ratios. At August 31, 2021, Easter Seals New Hampshire, Inc. was in compliance with restrictive covenants specified under the NHHEFA bonds and other debt obligations.

**12. Donated Services**

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

**13. Related Party Transactions**

Easter Seals NH is a member of Easter Seals, Inc. Membership fees to Easter Seals, Inc. were \$105,185 and \$83,093 for the years ended August 31, 2021 and 2020, respectively, and are reflected as support of National programs on the accompanying consolidated statements of activities and changes in net assets.

**14. Fair Value of Financial Instruments**

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

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

#### 14. Fair Value of Financial Instruments (Continued)

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

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

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

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

The following describes the valuation methodologies used to measure financial assets and liabilities at fair value. The levels relate to valuation only and do not necessarily indicate a measure of investment risk. There have been no changes in the methodologies used by Easter Seals NH at August 31, 2021 and 2020.

#### Investments and Assets Limited as to Use

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

#### Beneficial Interest in Trust Held by Others

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

#### Interest Rate Swap Agreement

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

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

14. Fair Value of Financial Instruments (Continued)

At August 31, 2021 and 2020, Easter Seals NH's assets and liabilities measured at fair value on a recurring basis were classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2021</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 242,131	\$ -	\$ -	\$ 242,131
Marketable equity securities:				
Large-cap	1,598,724	-	-	1,598,724
International	640,743	-	-	640,743
Mutual funds, open-ended:				
Short-term fixed income	12,415,237	-	-	12,415,237
Intermediate-term bond fund	3,051,709	-	-	3,051,709
High yield bond fund	86,611	-	-	86,611
Foreign bond	22,597	-	-	22,597
Government securities	165,842	-	-	165,842
Emerging markets bond	215,384	-	-	215,384
International equities	1,559,537	-	-	1,559,537
Domestic, large-cap	1,549,560	-	-	1,549,560
Domestic, small-cap	61,390	-	-	61,390
Domestic, multi alt	819,941	-	-	819,941
Real estate fund	220,075	-	-	220,075
Mutual funds, closed-ended:				
Domestic, large-cap	4,164,781	-	-	4,164,781
Domestic, mid-cap	465,969	-	-	465,969
Domestic, small-cap	686,244	-	-	686,244
Corporate and foreign bonds	-	397,883	-	397,883
Government and agency securities	-	564,183	-	564,183
	<u>\$27,966,475</u>	<u>\$ 962,066</u>	<u>\$ -</u>	<u>\$28,928,541</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 2,240	\$ -	\$ -	\$ 2,240
Marketable equity securities:				
Large-cap	88,345	-	-	88,345
Mutual funds:				
Domestic, fixed income	-	28,734	-	28,734
	<u>\$ 90,585</u>	<u>\$ 28,734</u>	<u>\$ -</u>	<u>\$ 119,319</u>
Liabilities:				
Interest rate swap agreement	\$ -	\$ -	\$2,238,251	\$ 2,238,251

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2021 and 2020

14. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2020</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 546,327	\$ —	\$ —	\$ 546,327
Marketable equity securities:				
Large-cap	1,208,402	—	—	1,208,402
International	536,116	—	—	536,116
Mutual funds, open-ended:				
Short-term fixed income	5,026,296	—	—	5,026,296
Intermediate-term bond fund	1,947,550	—	—	1,947,550
High yield bond fund	74,999	—	—	74,999
Foreign bond	26,714	—	—	26,714
Government securities	242,220	—	—	242,220
Emerging markets bond	143,155	—	—	143,155
International equities	1,360,028	—	—	1,360,028
Domestic, large-cap	1,192,791	—	—	1,192,791
Domestic, small-cap	175,488	—	—	175,488
Domestic, multi alt	775,870	—	—	775,870
Real estate fund	167,649	—	—	167,649
Mutual funds, closed-ended:				
Domestic, large-cap	4,214,602	—	—	4,214,602
Domestic, mid-cap	326,214	—	—	326,214
Domestic, small-cap	451,735	—	—	451,735
Corporate and foreign bonds	—	534,722	—	534,722
Government and agency securities	—	609,572	—	609,572
	<u>\$18,416,156</u>	<u>\$1,144,294</u>	<u>\$ —</u>	<u>\$19,560,450</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 5,407	\$ —	\$ —	\$ 5,407
Marketable equity securities:				
Large-cap	87,109	—	—	87,109
Mutual funds:				
Domestic, fixed income	—	27,499	—	27,499
	<u>\$ 92,516</u>	<u>\$ 27,499</u>	<u>\$ —</u>	<u>\$ 120,015</u>
Liabilities:				
Interest rate swap agreement	<u>\$ —</u>	<u>\$ —</u>	<u>\$2,897,074</u>	<u>\$ 2,897,074</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**14. Fair Value of Financial Instruments (Continued)**

The table below sets forth a summary of changes in the fair value of Easter Seals NH's Level 3 liabilities for the years ended August 31, 2021 and 2020:

	<u>Interest Rate Swap</u>
Ending balance, August 31, 2019	\$(2,654,993)
Change in fair value	<u>(242,081)</u>
Ending balance, August 31, 2020	(2,897,074)
Change in fair value	<u>658,823</u>
Ending balance, August 31, 2021	<u>\$(2,238,251)</u>

**15. Acquisition of The Way Home**

On October 28, 2020, Easter Seals NH began providing financial and operational management to The Way Home (the Organization). On July 1, 2021, Easter Seals NH acquired the Organization for no consideration. This affiliation was accounted for in accordance with generally accepted accounting principles guidance on acquisitions by a not-for-profit entity. Upon affiliation, the Organization became a program of Easter Seals NH. The financial position of the Organization, recorded at fair value upon affiliation as of July 1, 2021, was as follows:

**Assets:**

Cash and cash equivalents	\$ 257,622
Restricted cash	107,791
Program and other accounts receivable	253,631
Prepaid expenses and other current assets	11,319
Other assets	252,995
Fixed assets	<u>1,307,228</u>
Total assets	2,190,586

**Liabilities:**

Accrued expenses	(28,577)
Deferred revenue	(26,307)
Other liabilities	(336,916)
Long-term debt	<u>(1,096,214)</u>
Total liabilities	<u>(1,488,014)</u>

Contribution of net assets from acquisition	<u>\$ 702,572</u>
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**OTHER FINANCIAL INFORMATION**



## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2021 -

	<u>ASSETS</u>					
	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Current assets:						
Cash and cash equivalents	\$14,362,485	\$ 680	\$ 21,041	\$ 4,807	\$ -	\$14,389,013
Restricted cash	82,461	-	-	-	-	82,461
Short-term investments, at fair value	10,681,421	-	-	-	-	10,681,421
Accounts receivable from affiliates	-	8,293,852	564,017	-	(8,857,869)	-
Program and other accounts receivable	6,754,763	942,023	819,392	77,160	-	8,593,338
Contributions receivable, net	219,930	2,749	2,186	-	-	224,865
Prepaid expenses and other current assets	<u>600,915</u>	<u>12,252</u>	<u>12,684</u>	<u>7,851</u>	<u>-</u>	<u>633,702</u>
Total current assets	32,701,975	9,251,556	1,419,320	89,818	(8,857,869)	34,604,800
Assets limited as to use	2,357,939	-	-	-	-	2,357,939
Investments, at fair value	14,916,185	962,256	-	10,740	-	15,889,181
Other assets	378,877	-	-	-	-	378,877
Fixed assets, net	<u>19,285,292</u>	<u>10,536,119</u>	<u>74,328</u>	<u>4,062</u>	<u>-</u>	<u>29,899,801</u>
	<u>\$69,640,268</u>	<u>\$20,749,931</u>	<u>\$1,493,648</u>	<u>\$ 104,620</u>	<u>\$(8,857,869)</u>	<u>\$83,130,598</u>

LIABILITIES AND NET ASSETS

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Current liabilities:						
Accounts payable	\$ 2,311,091	\$ 35	\$ 553	\$ 872	\$ -	\$ 2,312,551
Accrued expenses	6,596,298	298,467	20	350	-	6,895,135
Accounts payable to affiliates	4,872,222	-	-	3,985,647	(8,857,869)	-
Deferred revenue	990,620	851,279	5,792	14,892	-	1,862,583
Current portion of interest rate swap agreement	387,067	-	-	-	-	387,067
Current portion of long-term debt	<u>1,030,748</u>	<u>192,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,222,914</u>
Total current liabilities	16,188,046	1,341,947	6,365	4,001,761	(8,857,869)	12,680,250
Other liabilities	2,682,812	-	-	-	-	2,682,812
Interest rate swap agreement, less current portion	1,851,184	-	-	-	-	1,851,184
Long-term debt, less current portion; net	<u>22,615,261</u>	<u>6,156,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,771,371</u>
Total liabilities	43,337,303	7,498,057	6,365	4,001,761	(8,857,869)	45,985,617
Net assets (deficit):						
Without donor restrictions	20,884,644	12,641,512	1,401,174	(3,900,866)	-	31,026,464
With donor restrictions	<u>5,418,321</u>	<u>610,362</u>	<u>86,109</u>	<u>3,725</u>	<u>-</u>	<u>6,118,517</u>
Total net assets (deficit)	<u>26,302,965</u>	<u>13,251,874</u>	<u>1,487,283</u>	<u>(3,897,141)</u>	<u>-</u>	<u>37,144,981</u>
	<u>\$69,640,268</u>	<u>\$20,749,931</u>	<u>\$1,493,648</u>	<u>\$ 104,620</u>	<u>\$(8,857,869)</u>	<u>\$83,130,598</u>

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2020

ASSETS

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Current assets:						
Cash and cash equivalents	\$ 8,189,207	\$ 700	\$ 29,341	\$ 15,346	\$ -	\$ 8,234,594
Short-term investments, at fair value	3,555,005	-	-	-	-	3,555,005
Accounts receivable from affiliates	-	9,051,773	657,994	-	(9,709,767)	-
Program and other accounts receivable	6,637,661	1,668,821	641,953	97,745	-	9,046,180
Contributions receivable, net	290,139	14,590	10,061	15,155	-	329,945
Prepaid expenses and other current assets	<u>659,444</u>	<u>11,035</u>	<u>25,062</u>	<u>4,598</u>	<u>-</u>	<u>700,139</u>
Total current assets	19,331,456	10,746,919	1,364,411	132,844	(9,709,767)	21,865,863
Assets limited as to use	2,017,343	100,255	36,924	-	-	2,154,522
Investments, at fair value	12,983,929	858,209	-	8,785	-	13,850,923
Other assets	143,015	-	-	-	-	143,015
Fixed assets, net	<u>17,576,923</u>	<u>10,778,130</u>	<u>103,724</u>	<u>3,941</u>	<u>-</u>	<u>28,462,718</u>
	<u>\$52,052,666</u>	<u>\$22,483,513</u>	<u>\$1,505,059</u>	<u>\$ 145,570</u>	<u>\$(9,709,767)</u>	<u>\$66,477,041</u>

LIABILITIES AND NET ASSETS

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Current liabilities:						
Accounts payable	\$ 1,987,762	\$ 499	\$ 10,697	\$ 1,522	\$ -	\$ 2,000,480
Accrued expenses	6,352,379	797,915	5,237	405	-	7,155,936
Accounts payable to affiliates	5,725,629	-	-	3,984,138	(9,709,767)	-
Deferred revenue	702,945	577,636	11,754	47,319	-	1,339,654
Current portion of interest rate swap agreement	389,577	-	-	-	-	389,577
Current portion of long-term debt	<u>1,512,628</u>	<u>686,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,198,630</u>
Total current liabilities	16,670,920	2,062,052	27,688	4,033,384	(9,709,767)	13,084,277
Other liabilities	2,017,343	100,255	36,924	-	-	2,154,522
Interest rate swap agreement, less current portion	2,507,497	-	-	-	-	2,507,497
Long-term debt, less current portion, net	<u>12,400,482</u>	<u>6,345,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,746,040</u>
Total liabilities	33,596,242	8,507,865	64,612	4,033,384	(9,709,767)	36,492,336
Net assets (deficit):						
Without donor restrictions	12,948,855	13,317,071	1,434,675	(3,887,814)	-	23,812,787
With donor restrictions	<u>5,507,569</u>	<u>658,577</u>	<u>5,772</u>	<u>-</u>	<u>-</u>	<u>6,171,918</u>
Total net assets (deficit)	<u>18,456,424</u>	<u>13,975,648</u>	<u>1,440,447</u>	<u>(3,887,814)</u>	<u>-</u>	<u>29,984,705</u>
	<u>\$52,052,666</u>	<u>\$22,483,513</u>	<u>\$1,505,059</u>	<u>\$ 145,570</u>	<u>\$(9,709,767)</u>	<u>\$66,477,041</u>

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

Year Ended August 31, 2021

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
<b>Public support and revenue:</b>						
Public support:						
Contributions, net	\$ 876,642	\$ 55,736	\$ 47,117	\$ 81,165	\$ -	\$ 1,060,660
Special events, net	1,216,723	40,522	91,639	31,092	-	1,379,976
Annual campaigns, net	436,622	6,079	12,125	1,463	-	456,289
Bequests	<u>4,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,091</u>
Total public support	2,534,078	102,337	150,881	113,720	-	2,901,016
Revenue:						
Fees and tuition	43,397,874	9,104,776	7,150,066	438,916	(70,871)	60,020,761
Grants	28,138,237	3,877,583	622,212	458,342	-	33,096,374
Dividend and interest income	607,365	26,794	1	240	-	634,400
Rental income	29,775	-	-	-	-	29,775
Intercompany revenue	2,171,005	-	-	-	(2,171,005)	-
Other	<u>538,083</u>	<u>-</u>	<u>11,412</u>	<u>51</u>	<u>-</u>	<u>549,546</u>
Total revenue	<u>74,882,339</u>	<u>13,009,153</u>	<u>7,783,691</u>	<u>897,549</u>	<u>(2,241,876)</u>	<u>94,330,856</u>
Total public support and revenue	77,416,417	13,111,490	7,934,572	1,011,269	(2,241,876)	97,231,872
Operating expenses:						
Program services:						
Public health education	40,035	-	1,212	1,211	-	42,458
Professional education	3,192	-	-	-	-	3,192
Direct services	<u>62,168,239</u>	<u>12,591,072</u>	<u>7,058,225</u>	<u>861,379</u>	<u>(82,939)</u>	<u>82,595,976</u>
Total program services	62,211,466	12,591,072	7,059,437	862,590	(82,939)	82,641,626

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Supporting services:						
Management and general	\$ 9,414,586	\$ 1,330,879	\$ 755,146	\$ 85,846	\$(2,158,937)	\$ 9,427,520
Fundraising	<u>1,084,072</u>	<u>18,207</u>	<u>73,153</u>	<u>74,124</u>	<u>-</u>	<u>1,249,556</u>
Total supporting services	<u>10,498,658</u>	<u>1,349,086</u>	<u>828,299</u>	<u>159,970</u>	<u>(2,158,937)</u>	<u>10,677,076</u>
Total functional expenses	72,710,124	13,940,158	7,887,736	1,022,560	(2,241,876)	93,318,702
Support of National programs	<u>105,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,185</u>
Total operating expenses	<u>72,815,309</u>	<u>13,940,158</u>	<u>7,887,736</u>	<u>1,022,560</u>	<u>(2,241,876)</u>	<u>93,423,887</u>
Increase (decrease) in net assets from operations	4,601,108	(828,668)	46,836	(11,291)	-	3,807,985
Other non-operating expenses, gains and losses:						
Change in fair value of interest rate swap	658,823	-	-	-	-	658,823
Net unrealized and realized gains on investments, net	1,919,950	110,636	-	1,964	-	2,032,550
Decrease in fair value of beneficial interest in trust held by others	(696)	-	-	-	-	(696)
Contribution of net assets from acquisition	702,572	-	-	-	-	702,572
Other non-operating losses	<u>(35,216)</u>	<u>(5,742)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,958)</u>
	<u>3,245,433</u>	<u>104,894</u>	<u>-</u>	<u>1,964</u>	<u>-</u>	<u>3,352,291</u>
Total increase (decrease) in net assets	7,846,541	(723,774)	46,836	(9,327)	-	7,160,276
Net assets (deficit) at beginning of year	<u>18,456,424</u>	<u>13,975,648</u>	<u>1,440,447</u>	<u>(3,887,814)</u>	<u>-</u>	<u>29,984,705</u>
Net assets (deficit) at end of year	<u>\$26,302,965</u>	<u>\$13,251,874</u>	<u>\$1,487,283</u>	<u>\$(3,897,141)</u>	<u>\$-</u>	<u>\$37,144,981</u>

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

Year Ended August 31, 2020

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Public support and revenue:						
Public support:						
Contributions, net	\$ 1,015,569	\$ 67,583	\$ 28,592	\$ 84,485	\$ (210)	\$ 1,196,019
Special events, net	796,223	58,700	(11,698)	14,844	-	858,069
Annual campaigns, net	386,951	8,828	19,394	16,962	-	432,135
Bequests	<u>221,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,908</u>
Total public support	2,420,651	135,111	36,288	116,291	(210)	2,708,131
Revenue:						
Fees and tuition	43,836,114	11,736,621	7,107,786	421,013	(38,306)	63,063,228
Grants	25,622,352	2,380,105	270,533	444,988	-	28,717,978
Dividend and interest income	564,099	34,199	2	152	-	598,452
Rental income	34,045	-	-	-	-	34,045
Intercompany revenue	2,077,046	-	-	-	(2,077,046)	-
Other	<u>511,743</u>	<u>1,940</u>	<u>11,684</u>	<u>-</u>	<u>(617)</u>	<u>524,750</u>
Total revenue	<u>72,645,399</u>	<u>14,152,865</u>	<u>7,390,005</u>	<u>866,153</u>	<u>(2,115,969)</u>	<u>92,938,453</u>
Total public support and revenue	75,066,050	14,287,976	7,426,293	982,444	(2,116,179)	95,646,584
Operating expenses:						
Program services:						
Public health education	116,006	157	5,066	7,865	-	129,094
Professional education	10,963	-	-	-	-	10,963
Direct services	<u>63,292,213</u>	<u>13,461,550</u>	<u>6,903,698</u>	<u>871,794</u>	<u>(68,882)</u>	<u>84,460,373</u>
Total program services	63,419,182	13,461,707	6,908,764	879,659	(68,882)	84,600,430

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Supporting services:						
Management and general	\$ 8,786,396	\$ 1,308,533	\$ 659,497	\$ 94,875	\$(2,047,297)	\$ 8,802,004
Fundraising	<u>731,676</u>	<u>12,237</u>	<u>80,874</u>	<u>66,695</u>	<u>—</u>	<u>891,482</u>
Total supporting services	<u>9,518,072</u>	<u>1,320,770</u>	<u>740,371</u>	<u>161,570</u>	<u>(2,047,297)</u>	<u>9,693,486</u>
Total functional expenses	72,937,254	14,782,477	7,649,135	1,041,229	(2,116,179)	94,293,916
Support of National programs	<u>83,093</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>83,093</u>
Total operating expenses	<u>73,020,347</u>	<u>14,782,477</u>	<u>7,649,135</u>	<u>1,041,229</u>	<u>(2,116,179)</u>	<u>94,377,009</u>
Increase (decrease) in net assets from operations	2,045,703	(494,501)	(222,842)	(58,785)	—	1,269,575
Other non-operating expenses, gains and losses:						
Change in fair value of interest rate swaps	(242,081)	—	—	—	—	(242,081)
Net unrealized and realized gains on investments, net	745,394	60,243	—	253	—	805,890
Increase in fair value of beneficial interest in trust held by others	21,320	—	—	—	—	21,320
Other non-operating gains	<u>2,732</u>	<u>—</u>	<u>—</u>	<u>(1,230)</u>	<u>—</u>	<u>1,502</u>
	<u>527,365</u>	<u>60,243</u>	<u>—</u>	<u>(977)</u>	<u>—</u>	<u>586,631</u>
Total increase (decrease) in net assets	2,573,068	(434,258)	(222,842)	(59,762)	—	1,856,206
Net assets (deficit) at beginning of year	<u>15,883,356</u>	<u>14,409,906</u>	<u>1,663,289</u>	<u>(3,828,052)</u>	<u>—</u>	<u>28,128,499</u>
Net assets (deficit) at end of year	<u>\$18,456,424</u>	<u>\$13,975,648</u>	<u>\$1,440,447</u>	<u>\$(3,887,814)</u>	<u>\$—</u>	<u>\$29,984,705</u>



## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2021

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Salaries and related expenses	\$54,463,022	\$ 9,581,703	\$6,411,920	\$ 646,210	\$ -	\$71,102,855
Professional fees	9,182,159	2,141,444	829,028	143,557	(2,171,005)	10,125,183
Supplies	1,476,716	650,916	29,933	3,295	-	2,160,860
Telephone	513,556	96,374	77,986	11,901	-	699,817
Postage and shipping	44,122	1,252	6,284	1,026	-	52,684
Occupancy	1,865,409	591,596	303,110	37,907	-	2,798,022
Outside printing, artwork and media	15,847	-	3,648	1,504	-	20,999
Travel	1,086,342	53,597	136,785	18,620	(44,559)	1,250,785
Conventions and meetings	57,117	17,992	2,288	404	-	77,801
Specific assistance to individuals	1,217,642	11,114	23,172	153,947	(26,312)	1,379,563
Dues and subscriptions	29,689	12,859	28	550	-	43,126
Minor equipment purchases and equipment rentals	283,256	30,576	2,110	866	-	316,808
Ads, fees and miscellaneous	344,507	21,702	21,555	542	-	388,306
Interest	685,065	223,934	-	-	-	908,999
Depreciation and amortization	<u>1,445,675</u>	<u>505,099</u>	<u>39,889</u>	<u>2,231</u>	<u>-</u>	<u>1,992,894</u>
	<u>\$72,710,124</u>	<u>\$13,940,158</u>	<u>\$7,887,736</u>	<u>\$1,022,560</u>	<u>\$ (2,241,876)</u>	<u>\$93,318,702</u>

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2020

	<u>New Hampshire</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Elimin- ations</u>	<u>Total</u>
Salaries and related expenses	\$56,079,004	\$ 9,840,481	\$6,214,397	\$ 652,361	\$ -	\$72,786,243
Professional fees	8,151,730	2,234,990	747,611	135,384	(2,077,663)	9,192,052
Supplies	1,507,517	789,733	30,386	5,252	-	2,332,888
Telephone	509,391	92,915	64,461	13,685	-	680,452
Postage and shipping	45,285	2,092	4,995	1,163	-	53,535
Occupancy	1,756,763	664,349	300,734	43,235	-	2,765,081
Outside printing, artwork and media	43,369	1,087	5,241	2,099	-	51,796
Travel	1,305,006	61,687	190,480	19,971	(38,306)	1,538,838
Conventions and meetings	143,658	40,616	14,775	2,327	(210)	201,166
Specific assistance to individuals	761,474	26,452	15,114	159,522	-	962,562
Dues and subscriptions	24,928	8,593	200	-	-	33,721
Minor equipment purchases and equipment rentals	256,512	42,237	4,889	3,741	-	307,379
Ads, fees and miscellaneous	254,998	257,771	18,862	1,629	-	533,260
Interest	705,741	230,777	-	-	-	936,518
Depreciation and amortization	1,416,670	495,765	37,081	2,599	-	1,952,115
Miscellaneous business tax	(24,792)	(7,068)	(91)	(1,739)	-	(33,690)
	<u>\$72,937,254</u>	<u>\$14,782,477</u>	<u>\$7,649,135</u>	<u>\$1,041,229</u>	<u>\$(2,116,179)</u>	<u>\$94,293,916</u>

## 2022 Easter Seals New Hampshire, Inc. Board of Directors

### Chairman

**Andrew MacWilliam**  
Partner  
Pricewaterhouse Coopers LLP  
9/2009-12/2024

**Gregory Baxter, MD**  
President, Elliot Health System  
2/2020-12/2023

**Lucy Lange**  
General Manager  
Monadnock Radio Group  
12/2018-12/2024

**Rob Wieczorek**  
President, Wieczorek Insurance  
11/2013-12/2024

### Past Chairman

**Matthew Boucher**  
President  
Airmar Technology Corp.  
9/2012-12/2024

**Tom Bullock**  
Chairman of the Board  
Amoskeag Beverages  
7/2015-11/2020 (FC)  
12/2020-12/2023

**Charles Panasis**  
President  
Brickwater Property Advisors  
11/2012-12/2024

General Counsel & Assistant  
Secretary (non-voting member)  
**Bradford Cook, Esq.**  
Sheehan Phinney  
11/2001-12/2022

### Vice Chairman

**Tom Sullivan**  
President  
Sullivan Construction, Inc.  
5/2009-12/2024

**Rick Courtemanche**  
IBM (Ret)  
11/2013-12/2022

**Tracey Pelton**  
Exec Dir, Business Dev & Mktg  
PROCON LLC  
1/2018-12/2023

### Treasurer

**Bryan Bouchard**  
CMA & Assistant Professor  
Southern NH University  
3/2015-12/2024

**Eddie Edwards**  
Eddie Edwards Consulting, LLC  
2/2021-12/2023

**Richard Rawlings**  
Northwestern Mutual (Ret)  
12/1999-12/2024

### Assistant Treasurer

**Paul E. Voegelin, COO**  
Sheehan Phinney Bass + Green  
9/2018-11/2021 (FC)  
12/2020-12/2023

**Charles S. Goodwin**  
Cogswell Benevolent Trust  
11/2005-12/2023

**Linda Roth**  
Long Term Care (Ret)  
12/2017-12/2023

### Secretary

**Mary Flowers**  
President  
Flowers Communication  
12/2017-12/2023

**Elizabeth Hitchcock**  
Partner  
Orbit Group  
4/2021-12/2023

**Nathan Saller**  
President & CEO  
Bellwether Community Credit Union  
6/2022-12/2022

**Trevor Arp**  
Senior VP, Comcast  
2/2021-12/2023

**William Lambrukos**  
Sr. VP Operations  
Northeast Delta Dental  
4/2019-12/2022

**Sanjeev Srinivasan**  
VP, Corporate Dev & Strategy  
Hypertherm  
4/2021-12/2023





## Maureen Ann Beauregard

### Professional Expertise

Visionary/Tenacious  
Strategic Planning  
Community Relationships  
Organizational Capacity Building

Strong Financial Acumen  
Entrepreneur/Builder  
Experienced Communicator  
Team Building & Leadership

### Professional Experience

**November 1991–2019 Families in Transition**

**January 2018–2019**  
President, Families in Transition – New Horizons      Manchester NH

#### Key Accomplishments

- Merged Families in Transition with the State's largest shelter and food pantry.
- Successfully led board strategy for combined organization.
- Developed and led public awareness and acceptance of combined organization.
- Merger resulted in being the State's largest organization in the provision of shelter, housing, food and services for homeless families and individuals.

**December 2017 – June 2018**  
Receiver of Serenity Place      Manchester, NH

#### Key Accomplishments

- Successfully navigated complex negotiations with the dissolution and replacement of critical substance use disorder program with the NH Charitable Trust office.
- Brought together key political leaders, businesses and NH's not-for-profit sector.

**November 1991 – December 2017**  
President & Founder      Manchester, NH

#### Key Accomplishments:

- Began as a program providing housing and services to 5 women and their children.
- Currently, providing housing to 1,328 families and individuals and 138,000 meals annually.
- Developed housing and services programs in four geographic regions: Manchester, Concord, and Dover & Wolfeboro.
- Developed \$38M in Assets and a \$14M Annual Budget. Facilities developed with alternative financing structures that include varied layering structures resulting in affordability for the organization and those it serves.

### Contact



### Community Service

- NH Charitable Foundation – Member, Board of Directors, Current
- NH Interagency Council to End Homelessness – Past Chairperson, Board of Directors, 2015
- Leadership New Hampshire, 2010
- Housing Action New Hampshire – Past Council Member, 2009
- Greater Manchester Chamber of Commerce – Past Member, Board of Directors, 2009

### Awards and Honors

- Greater Manchester Chamber of Commerce's Citizen of the Year, 2018
- Southern New Hampshire University, Loeffler Award, 2018
- University of New Hampshire, Granite State Award, 2018
- Business NH Magazine's Nonprofit of the Year, 2013

- Personally Authored and awarded +\$20M in HUD funding from 1995 – 2008.
- Developed 272 housing units and 199 shelter beds.
- Specialty Programs developed:
  1. Willows Substance Use Treatment Center – Outpatient and Intensive Outpatient services. Use of 3<sup>rd</sup> party insurance and state billing. Negotiations with State of NH.
  2. Two Transitional Living Programs; one for men and one for women. Use of 3<sup>rd</sup> party insurance and state billing. Negotiations with the State of NH.
  3. Recovery Housing - Safe housing for Moms with Children who are recovering from substance use disorder. Negotiated with State of NH.
  4. Open Doors – In-home substance use disorder services for parent(s) and therapeutic services for children.
  5. Connections to Recovery – 4 Geographic area outreach to homeless with substance use disorder. SAMSHA \$1.5M.
- Acquired Organizations Include:
  1. Manchester Emergency Housing, 2012. Developed and expanded new family shelter that also includes a Resource Center in 2015.
  2. New Hampshire Coalition to End Homelessness, 2014. Elevated organization as a leader in advocacy, research and training on behalf of homeless families and individuals.
- Organization developed to assist Families in Transition – New Horizons with double bottom line of assisting with financial sustainability and deeper mission impact include:
  1. Housing Benefits, 2009. A not for profit organization and federally designated Community Housing Development Organization that is prioritized in receiving 10% of federal funds for housing related activities. Acts as the property management company and housing development arm of Families in Transition – New Horizons. Both the property management and developer fees assist with the organization's sustainability.
  2. OutFITters Thrift Store, 2003. An LLC entrepreneurial business venture that provides profits and management fees to provide unrestricted resources for Families in Transition's mission. Assists in the sustainability of the organization and is the entry point for in-kind donors who become volunteers and eventually provide financial support the organization through financial donations.
  3. Wilson Street Condo Association, 2018. Development of housing and commercial real estate, \$3.9M. A project that houses a collaborative effort amongst four not-for profit organizations with a focus on a substance use disorder. Provides property management and developer fees to assist

- New Hampshire Business Review's Outstanding Women in Business, 2011
- Key to The City of Manchester by Mayor Robert Baines, 2005
- National Association of Social Workers, Citizen of the Year, 2005
- NH Business Review's Business Excellence Award, 2004
- Walter J. Dunfee Award for Excellence in Management, Organizational Award, 2004
- NH Commission on the Status of Women, Women's Recognition Award, 2003
- New Hampshire Housing Finance Authority, Best Practices in Housing Development, 2003

in organization's sustainability.

4. Antoinette Hill Condo Association, 2019. Purchase of housing units, \$1.6M. Provides property management and developer fees to assist in organization's sustainability.
5. Hope House, 2018. With a majority of gifts from two individuals, developed and implemented first shelter for families in the lakes region. The facility includes a commercial rental component of cell antennae and business rental income utilized to assist with the organizations sustainability.

**November 1987 – March 1991**

**Child Protective Service Worker II**

**Portsmouth, NH**

**State of New Hampshire, Division for Children and Youth Services**

**Professional Expertise**

Bachelor of Science University of New Hampshire, 1987

Masters of Arts Community Development Policy and Practice. University of New Hampshire, 2021

**References**

Available Upon Request

**Tina M. Sharby, PHR**  
Easter Seals New Hampshire, Inc.  
555 Auburn Street  
Manchester, NH 03103

Human Resources Professional with multi-state experience working as a strategic partner in all aspects of Human Resources Management.

**Areas of expertise include:**

Strong analytical and organizational skills  
Ability to manage multiple tasks simultaneously  
Employment Law and Regulation Compliance  
Strategic management, mergers and acquisitions

Problem solving and complaint resolution  
Policy development and implementation  
Compensation and benefits administration

**PROFESSIONAL EXPERIENCE**

**Chief Human Resources Officer 2012-Present**

**Senior Vice President Human Resources**  
Easter Seals, NH, VT, NY, ME, RI, Harbor Schools & Farnum Center  
1998-2012

Reporting directly to the President with total human resources and administration. Responsible for employee relations, recruitment and retention, compensation, benefits, risk management, health and safety, staff development for over 2100 employees in a six state not-for-profit organization. Developed and implemented human resources policies to meet all organizational, state and federal requirements. Research and implemented an organizational wide benefits plan that is supportive of on-boarding and retention needs.

Developed and implemented a due diligence research and analysis system for assessing merger and acquisition opportunities. Partnered with senior staff team in preparation of strategic planning initiatives.

Member of the organizations Compliance Committee, Wellness Committee and Risk Management Committee. Attended various board meetings as part of the senior management team, and sit on the investment committee of the Board of Directors for Easter Seals NH, Inc.

**Human Resources Director**  
Moore Center Services, Inc., Manchester, NH  
1986-1998

Held progressively responsible positions in this not-for-profit organization of 450 employees. Responsible for the development and administration of all Human Resources



activities. Implemented key regulatory compliance programs and developed innovative employee relations initiatives in a rapidly changing business environment. Lead the expansion of the Human Resources department from basic benefit administration to becoming a key advisor to the senior management.

Key responsibilities included benefit design, implementation and administration; workers compensation administration; wage and salary administration, new employee orientation and training; policy development and communication; retirement plan administration; budgetary development; and recruitment.

## **EDUCATION**

Bachelor of Science Degree, Keene State College, 1986  
Minor in Human Resources and Safety Management  
MS Organizational Leadership, Southern NH University (in process)

## **ORGANIZATIONS**

Manchester Area Human Resource Association  
Diversity Chair 2010  
Society for Human Resource Management  
BIA Human Resources  
Health Care & Workforce Development Committee 2009, 2010

**Claire H. Gagnon, CPA**



**Experience**

**Easterseals New Hampshire**  
Manchester, NH

**Senior Vice President/Controller**

**June 2007 – Current**

- Supervise Senior level Accounting and Payroll staff and departments.
- Manage all accounting functions while ensuring the practice of net asset accounting in a multi-corporate multi-state growing environment.
- Serve as a member of the Senior Management team and participate in strategic planning for the organization.
- Serve as the management liaison to the board and audit committees, assisting the CFO as needed; effectively communicate and present critical financial matters at select board of trustees and committee meetings.
- Establish systems to ensure compliance with the requirements of: GAAP, Circular A-133, Federal and State agencies.
- Oversee preparation of all internal financial reporting to ensure accuracy, timeliness, and relevance.
- Oversee budget planning process, projections and variance analysis.
- Ensure the preparation of all required external reports for all entities ie; IRS form 990's.
- Oversee grants reporting functions.
- Oversee internal controls to include checks and balances, system testing, and procedure documentation and compliance with GAAP and other applicable standards.
- Oversee cash management system to include daily short-term investing and borrowing and cash flow forecasts.
- Perform financial analysis to include assessments for new projects and program initiatives.
- Explore and implement best practices and bench marking tools for related business functions.

**ShootingStar Broadcasting of NE, LLC**  
Derry, NH

**Director of Finance**

**September 2005 – February 2007**

- Manage monthly financial statements and General Ledger Closing process. Includes reporting to outside sources; i.e., lenders and investors.
- Manage accounting staff and all aspects of accounting and business office.
- Prepare and/or review cash activity reports used in cash management on a weekly basis.
- Prepare departmental budgets and forecasts. Revise forecasts quarterly to monitor station's financial position.
- Manage Human Resource function for up to 60 employees, including managing union contractual obligations.
- Supervise credit and collection procedures for accounts receivable.
- Manage insurance and other vendor-related issues. Successfully replaced both employee benefits provider as well as 401(k) administrators.
- Manage FCC compliance requirements.
- Manage barter activity and activity reporting.

Claire H. Gagnon, CPA

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**Daniel Webster Council, Boy Scouts of America, Inc.**

Manchester, NH

Controller

1997 – September 2005

- Produce all monthly financial reports and monitor Council's financial position.
- Plan, develop and monitor the annual budget.
- Prepare all financial schedules for annual audit and assist with necessary tax filings.
- Participate and advise on the Investment Committee of the Council as well as prepare reports on a quarterly basis, summarizing the activity in the \$13M endowment.
- Member of Management Team which is responsible for the administration of policies and procedures of the corporation.
- Prepare all payroll returns and year-end reports.
- Manage accounting staff and oversee accounts payables and receivables.
- Administer benefit programs including but not limited to 403(b) and insurance programs for over 40 employees.
- Serve Council in other capacities on various committees with business leaders in the community.

**Lynne M. Hudson, PC**

Andover, MA

Manager

1994 – 1997

- Supervise Audit, Reviews and Compilations.
- Prepare and review corporate, personal, fiduciary and payroll tax returns.
- Perform year-end inventory audits on Manufacturing companies.
- Serve as liaison for audits between IRS and Business, as well as personal clients.
- Perform year-end tax projections, tax planning and Management Advisory Services.
- Hire, train, Staff Development and Performance reviews.

**Creelman & Smith**

Boston, MA

Senior Accountant

1992 – 1994

- Preparation of Corporate, Personal and Non-Profit tax returns.

**Smith Batchelder & Rugg**

Manchester, NH

Senior Accountant

1988 - 1992

- Preparation of Corporate, Personal and Non-Profit tax returns.
- Staff auditor for various companies including financial, service and manufacturing industries.

**Volunteer**

Board Treasurer, New Hampshire Legal Assistance

Member 100 Women Who Care

Tax Preparer AARP

Graduate Leadership Greater Manchester 2019

2014-2018

**Education**

Plymouth State College, B.S. Accounting, May 1987

CPA Certified 1991

Granite State College, Leadership Academy, September 2015

# LISABRITT SOLSKY, JD, CHIE



Trusted public sector executive leader specializing in healthcare, equity and the intersectional holistic health needs of individuals and families. Expertise in program design, implementation, and oversight. Recognized for process improvement and operational effectiveness within financially constrained enterprises. Data-driven decision maker skilled in relationship building. Valued for building dynamic and loyal teams that achieve superior, collaborative results for constituencies. Best suited for mission driven organizations.

## EXPERTISE

- Strong New Hampshire public sector relationships
- Organizational strategy
- Policy development
- Government regulation & compliance
- Managed Care Operations
- Deep Medicaid service, eligibility and finance knowledge
- Government affairs
- State budgeting

## EXPERIENCE

### JUNE 2020-PRESENT

#### VICE PRESIDENT OF STRATEGY AND CORPORATE DEVELOPMENT, GRANITE STATE INDEPENDENT LIVING

Reporting to the CEO and responsible for creating multi-faceted roadmap for non-profit modernity and sustainability at the state's only Center for Independent Living that provides comprehensive services to individuals who experience disability. Portfolio includes strategic business development, advocacy, fundraising, events, donor management and communications. ACCOMPLISHMENTS: Procured multiple grants in first several months of tenure totaling \$100k; Oversaw acquisition of new business enterprise; Managed 2 website overhauls and redesigns; Supported other departments in collecting, analyzing and using data to drive decisions; Secured place in Business Development Learning Collaborative through NCIL; Wrote corporate COVID-19 policy; Assumed responsibility for corporate weekly newsletter making it a relevant, informative source of information and corporate communication.

### MARCH 2015 – SEPTEMBER 2019

#### EXECUTIVE DIRECTOR, WELL SENSE HEALTH PLAN

Reporting to the CEO, this role is the most senior position on the ground, leading day-to-day operations of the state's largest and only not-for-profit Medicaid managed care organization. Maintained corporate relationships with government, regulators, thought leaders, legislators, community organizations, vendors and healthcare providers and systems. Set and implemented health plan strategy consistent with corporate financial and performance goals. Served on corporate executive team with chiefs. Led office of 65 employees across clinical, provider, operations, compliance and customer care domains.

ACCOMPLISHMENTS: Co-led successful drafting and submission of bid for second five-year, \$400M contract; established strategic partnerships with Families In Transition/New Horizons; advised legislative commission that reauthorized Medicaid adult expansion; rated a Best

Company to Work For by Business NH Magazine 2017 and 2018, and number one female led not-for-profit by Business NH Magazine 2016.

**MARCH 2000 – FEBRUARY 2015**

**DEPUTY MEDICAID DIRECTOR, NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Served for seven years as Deputy Medicaid Director managing a portfolio that included managed care operations, data & analytics, health planning & research, State Plan & policy, government affairs, provider relations, member services and Children's Health Insurance Program (CHIP). Led team of 8-9 direct reports and supported Medicaid Director and Commissioner.

For eight years prior, served as General Counsel and Administrator in Division of Family Assistance, Estate Recovery, Office of Reimbursements and Administrative Rules Unit, providing policy support for programs of public assistance, managing an active probate and trust practice, and overseeing adoption of all departmental regulations.

**ACCOMPLISHMENTS:** successfully transformed the CHIP program to an MCHIP, saving the state millions of dollars while simultaneously expanding the breadth and depth of coverage for low-income children, launched the state's first mandatory Medicaid managed care program, oversaw publication of scholarly research on the health of New Hampshire's most vulnerable citizens.

**1997 – 2000**

**STAFF ATTORNEY, MERRIMACK VALLEY LEGAL SERVICES**

**1996 – 1997**

**LEGAL ADVOCATE & VOLUNTEER COORDINATOR, DOVE, INC.**

## EDUCATION

**JURIS DOCTOR, UNIVERSITY OF THE DISTRICT OF COLUMBIA, DAVID A. CLARKE SCHOOL OF LAW**

One of the nation's only public interest law schools and an HBCU.

**BACHELOR OF ARTS, UNIVERSITY OF MASSACHUSETTS, AMHERST**

Major in English, minor in Women's Studies. Participated in National Student Exchange Program. Lived and worked in fully functioning co-operative dormitory; served on dorm house council for 3 semesters.

## DISTINCTIONS

Member Massachusetts Bar Association (retired)

Member New Hampshire Bar Association (inactive)

Earned America's Health Insurance Plans Certified Health Insurance Executive credential (2016)

Business NH Magazine Top Woman-Led Business recognition (2016)

Business NH Magazine Best Company to Work For (2017 & 2018)

Business and Industry Association "Above and Beyond Award" recipient (2011)

Manchester Union Leader 40 Under Forty honoree (2010)

Leadership New Hampshire (2008)

## **CIVIC ENGAGEMENT**

Member New Hampshire Governor's Interagency Council on Homelessness (2018-2021)

Board of Directors, New Hampshire Public Health Association (2020 to present)

NH COVID-19 Equity Task Force (2020-present) led "Justice Involved" Workgroup promoting needs/interests of incarcerated people vis-à-vis COVID-19

Board of Directors, NH Women's Foundation F/K/A Women's Initiative (2010 – 2015)

Leadership NH Selection Committee (2014 – 2018)

NH Bar Association Lawyer & Judge In Every School (2006, 2007)

# CATHY KUHN, PHD

## STRATEGIST | COMMUNITY RELATIONS | NONPROFIT MANAGEMENT

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

### *Signature Achievements & Competencies*

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

## PROFESSIONAL HIGHLIGHTS

### EXECUTIVE DIRECTOR

#### Metropolitan Housing Coalition Louisville, KY | October 2020 - Present

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

**CATHY KUHN, PhD**

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**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**HOUSING DEVELOPMENT CONSULTANT**  
**Easter Seals NH, VT and ME | January-July 2021**

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

**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**CHIEF STRATEGY OFFICER/INTERIM TEAM EXECUTIVE DIRECTOR**  
**Families in Transition Manchester, NH | Oct 2019-June 2020**  
*VP, Research and Training (2009-2019) Director, Housing Development (2007-2008)*

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



**CATHY KUHN, PHD**

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**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**DIRECTOR**

**New Hampshire Coalition to End Homelessness | 2012-2020**

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

**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**ADJUNCT PROFESSOR**

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

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

**Additional Achievements, Education & Board Service, Continued Page 3**

**PROFESSIONAL HIGHLIGHTS - CONTINUED**

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

- Environmental Education Instructor, Grades K-5.

**CATHY KUHN, PhD**

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**EDUCATION & PROFESSIONAL DEVELOPMENT**

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

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

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

**BOARD LEADERSHIP & PROFESSIONAL ACHIEVEMENTS**

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

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

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

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

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

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

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

***Graduate, Leadership New Hampshire*** | Class of 2019

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

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

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

***Guest on KY Radio Alliance Show*** | 2021

**CATHY KUHN, PHD**

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**BOARD LEADERSHIP & PROFESSIONAL ACHIEVEMENTS, CONTINUED**

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

***Subject Matter Expert***

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

## Peter C. Hastings

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### C-LEVEL INFORMATION TECHNOLOGY EXECUTIVE

*With 30 years of IT Experience and Track record of Success Delivering Results-Driven Technology Solutions*

#### Career Profile

Results-driven IT Executive with expertise envisioning and leading technology-based, multi-million-dollar budget initiatives, grounded solidly on business and economic value. Proven track record management career, marked by demonstrated ability to build performance-driven teams and achieve cross-functional business objectives. A valued member of senior executive teams, contributing a seasoned road-based perspective to create practical IT strategies and implementing plans designed for maximum return at the lowest cost.

#### Core areas of expertise include:

➤ IT Strategy and Execution	➤ Global ERP Implementations	➤ Organization Design & Restructuring
➤ Time and Resource Optimization	➤ Process Improvement	➤ Team Building & Leadership
➤ Enterprise IT Systems	➤ Information Architecture	➤ New Product & Technology Launch
➤ Project and Program Management	➤ Corporate Mission Fulfillment	➤ Multi-Million Dollar Budget Management
➤ PMO Management	➤ Cyber Security leadership	➤ Vendor & Contract Negotiations
➤ Matrix Management	➤ Global Management	➤ Innovation leadership
➤ Merger & Acquisitions	➤ Disaster Recovery	➤ Homeland Security
➤ Private Sector	➤ Change Management	➤ Public Policy
➤ Higher Education Sector	➤ Non – Profit Sector	➤ State Government Sector

#### Selected value-offered Highlights

- **Making Cyber Security a critical priority;** Demonstrating that Cybersecurity needs to be a top priority of every organization through examples. Then creating policy and awareness training to ensure the security of all environments by each.
- **Driving force to standardized Software configuration Management Enterprise-Wide;** drove innovation in the State of New Hampshire by standardizing software development processes across the enterprise, utilizing a centralized software configuration management tool. Oversaw an enterprise migration from individual servers to a virtual enterprise environment containing over 300 servers saving both money and staff hours.
- **Led team to standardize a hybrid ERP implementation process for global deployment;** produced an Oracle ERP implementation methodology that utilized internal personnel instead of consultants saving the company over 20 million dollars in 6 years. This process streamlined the project schedule from 12 months to 21 weeks per manufacturing facility. This methodology was executed in 24 countries over 24 months, resulting in the conversion of 108 manufacturing facilities to a common ERP platform.

### PROFESSIONAL EXPERIENCE

**Easterseals - Manchester, NH**

**November 2021 – Present**

**Chief Information Officer / Information Security Officer**

Leading information technology functions of the organization, serving as an integral partner and member of the Senior Management team. Guiding Information Technology strategy to support and strengthen Easter Seals. Implementing the current information security initiatives throughout the agency while planning for changes in a defensive and offensive posture to meet future threats.

**Merrimack College – No. Andover MA**

**July 2015 – November 2021**

**Associate Vice President/CIO**

Part of the Senior Leadership Team to provide vision, leadership, strategic planning, increase customer service, bringing credibility to IT, drive critical change in technology to meet the mission and strategic plan of Merrimack College. To ensure that the college's technology infrastructure is being maintained, protected and provides the functional tools for the college's mission of higher education. To provide fiscal leadership in developing an IT budget based on the approved plan and responsible infrastructure goals in supporting the higher education needs of the college. Support institution initiatives such as Mobile Merrimack that supports thousands of iPads for teaching in the classrooms.

**STATE OF NEW HAMPSHIRE - Concord, New Hampshire**  
**Commissioner/CIO Department of Information Technology**  
**Acting Commissioner/CIO Department of Information Technology**  
**Interim Commissioner/CIO Department of Information Technology**

**March 2007 to August 2014**  
**June 5, 2013, to August 2014**  
**October 17, 2012, to June 5, 2013**  
**April 2010 to February 2011**

Reported to the Governor of the State of New Hampshire - managed the Department of Information Technology (DoIT), an agency which has a staff of over 350 and an annual budget that exceeds 60 million dollars. DoIT is responsible for all IT support for the State's 65 agencies and over 10,000 full-time employees, including cybersecurity, desktops, servers, applications, networks and providing services to the over 1.3M citizens of the State.

**Director of Agency Software Division**

**March 2008 – June 2013**

Reported to the CIO of the State of New Hampshire - managed the Agency Software Division (ASD) in 20 of the State's largest agencies overseeing the efforts of over 160 staff. Engaged Agency Commissioners and senior management in the development of tactical and strategic plans, reporting, budgets, problem resolutions, and promoted DoIT best practices, policies, standards and procedures.

**Agency IT Leader (Department of Safety)**

**March 2007 – March 2008**

Reported to the Director of the Agency Software Division - managed the IT organization responsible for the software development, production and maintenance of all software applications for the State of New Hampshire's Department of Safety. The Department of Safety encompasses the State Police, Highway Patrol, Bureau of Emergency Management and Department of Motor Vehicle.

**VECTRON INTERNATIONAL CORP - Hudson, NH**

**July 2005 – February 2007**

**Director of Global IT**

Reported to the CFO - responsibilities encompassed managing the \$10 million IT budget, 4 direct and 13 indirect reports providing global support for continuous operations for ERP, LAN/WAN, infrastructure, telecommunications, and end-user computing environment. □

**SANMINA-SCI Corp - Salem, NH**

**April 1996 – January 2005**

**Sr. Director of Global EMS Services**

**January 2003 – January 2005**

Managed a direct staff of 10 and was responsible for the planning, master scheduling and managing the migrating of 108 global manufacturing facilities to the Oracle 11i ERP System.

**Sr. Director of Mergers & Acquisitions, Administration**

**November 2001 – January 2003**

Managed a direct staff of 7 and was responsible for creating, developing and managing the M&A administration team while managing the IT \$35M budget.

**Sr. Director of Global Applications**

**April 2000 – November 2001**

Managed a direct staff of 25 and worked closely with other Directors to understand their business requirements and issues to translate them into technical deliverables for the application group.

**Director of Americas Field IT**

**April 1996 – April 2000**

Managed a direct staff of 30 and was responsible for supporting 65 manufacturing facilities throughout North American and for supporting all aspects regarding telecommunications and business systems in the Eastern division of the company.

### Education and Credentials

Merrimack College: Master's of Science in Management - MSM  
 Rivier University: Awarded a BA in Individualized Studies - Summa Cum Laude  
 Northern Essex Community College: Awarded an Associates in Electronic Technologies - Cum Laude

### Military

United States Army, Honorable Discharge

Affiliations	Interests
Sigma Iota Epsilon (SIE) National Organization of State CIOs' (NASCIO) Multi-State Information Sharing & Analysis Center (MS-ISAC) National Association of Insurance Commissioners (NAIC) State of New Hampshire Town Clerks Association	Family Chess Outdoor Activities Theater Music Building

# PAMELA HAWKES

DIRECTOR OF DONOR RELATIONS

## CONTACT



## PERSONAL EXPERIENCE

- Board of Directors, Girls Inc.
- LGM Steering Committee
- Leadership Greater Manchester, Class of 2021

## PROFILE

For the last sixteen years I have been working with nonprofits in fundraising and development programs. For thirteen of those years I was with Families in Transition (FIT) working with their mission to break the cycle of homelessness in New Hampshire. Hired as the Volunteer & In Kind Coordinator, in just 3 years I was promoted to the Donor Relations Manager. By the end of my time with the organization, I was promoted to Chief Development Officer, a member of the Executive Leadership Team. At the close of 2021, I had taken a new position with the New Hampshire Community Loan Fund as their Director of Donor Relations. The main goal of this position was to create a Major Donor Program for their organization.

In any of the positions that I have been in over the years, my role began and still to this day focuses on relationships, from onboarding volunteers and building their relationships to major donors. From connecting with community members on potential mission impacts to creating a lifelong supporter, at the end of the day, my main goal has been to show people their value and how they can make a difference in the lives of others.

Below you will find the many roles I have had in my nonprofit career thus far. From day one, I have been a key employee that has played in many leadership roles around change management, culture, moral and mergers. I have overseen 30 people in a statewide program, partnering with 20+ nonprofits at a time. I have also led a team of 8 employees, my department being one with the most longevity, which is something I am extremely proud of.

In my role as the CDO/VP of Resource Development, I oversaw our fundraising efforts, annual events, volunteer management, and marketing/communications team for the agency. I have strong experience in board development, strategic planning, volunteer management, leadership, program development, change management, and public speaking. I started my leadership experience with an annual goal of \$800,000 a year, and in 2020, raised over \$3 million in private funds with the support of my instrumental team and our solid development plan, even after pivoting due to the impact of the pandemic.

Pivoting, adapting, out of the box thinking, strategizing, forward thinking, are all things I have been doing long before the pandemic.

**SKILLS**

- DONOR RELATIONS EXPERT
- BOARD DEVELOPMENT
- NONPROFIT LEADERSHIP
- STRATEGIC THINKER

**EXPERIENCE AT  
NH COMMUNITY LOAN FUND**

**Director of Donor Relations**

**2021- Present**

In November of 2021 I took the position of Director of Donor Relations. It was a position that the organization created for me. The NH Community Loan Fund did not have major gifts, corporate giving or volunteer focused programs. They knew how essential these three programs were to the growth of their development and fundraising goals.

Over the last seven months, I have established the outline and foundation to these programs. I also have hired a Philanthropy Officer to help elevate the relationship building with the existing donors, as well as identifying ways to gain new donors. We have created a portfolio concept for the fundraising team, as well as established a forecasting structure in the CRM, Salesforce, to have a better plan of action to execute how to exceed our annual goals.

**EXPERIENCE AT  
FAMILIES IN TRANSITION**

**Chief Development Officer/VP of Resource Dev.**

**2019- 2021**

In January of 2019 I took the position of Vice President, Resource Development. This opportunity came when Families in Transition and New Horizons merged. The goal given to me was to create one unified development team of eight full time staff members, along with a one fundraising development plan that would have the newly defined team to meet our goal of raising \$1.75 million in private funding. This goal was an increase from the previous year's goal of \$800,000. We hit our goal in year one, then set our 2020 fundraising goal to raise \$1.85 million which we surpassed, hitting the \$3 million. This was a huge accomplishment in the midst of a huge leadership change, our Founder and President leaving, and pivoting our fundraising efforts that were very much impacted by the pandemic. It took a team to pull off what we did and I am so proud of how hard they all worked, while navigating their own transitions in their personal lives.

In addition, the agency had also invested in a new CRM software, Salesforce, which I took the project management lead on. With consultants, we created a CRM that aligned with the agency needs, as well as the needs of the newly merged fundraising department. Project managing was something I had never really done before, but found it to be a great project! A lot of work, but well worth it to see the investment and return on the investments in year two of having the software. Prior to leaving the organization in 2021, I had been promoted to Chief Development Officer.

**Director of Resource Development**

**2016-2019**

**EDUCATION**

**Southern New Hampshire**

**University**

Masters of Science Marketing

**Southern New Hampshire**

**University**

Bachelor's Degree Business Administration and Management

**Southern New Hampshire**

**University**

Leadership of Nonprofit Organizations, Graduate Certificate

**NHTI, Concord**

Associates, Criminal Justice

When promoted to the Director level I was tasked with creating new donor initiatives and worked closely with a Task Force that included members of our board of directors and other key stakeholders to see it through. During this time, my focus was really on systems, stewardship and cultivation efforts. Growing our volunteers into donors, and our donors into major investors. My goal was to show them the impact they had on those in their own community and know that they could be part of the solution. It was a lot of work over those three years, but well worth it as we have created relationships with our donors who have become lifelong supporters of the work we do.

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## Donor Relations Manager

**2011-2016**

When promoted to this new Management position, I had oversight of the FIT VISTA Program which had a reach across a variety of nonprofits across New Hampshire. When FIT first took over the program, we worked with 16 VISTA members and ten nonprofits. During this time, FIT was asked to take over a VISTA Program that was going to close. We saw too much value in the VISTA Program and quickly said yes to the merger. We doubled the number of members to 32, and also doubled the number of nonprofits we worked with across the state, no longer just in Manchester. My main focus was to build the moral backup of those that were displaced, but also bring the two groups together to be a unified group. It took a lot of work, but the group came together and became one of the most well respected VISTA Programs in New England.

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## Volunteer & In Kind Coordinator

**2008-2011**

Hired as the Coordinator of Volunteers & In Kind Donations, I created a structured system and process for both programs. The agency was just starting out with a volunteer program. Over the course of these three years, I worked on getting buy-in from other departments to take on volunteers as resources. I also worked really hard on bringing new volunteers in and watching their relationship grow with nurture to become advocates, supporters and some staff. I also created a robust internship program for our clinical department, which is still running strong today.

During this time we also acquired the Manchester VISTA Program from the City of Manchester. This gave me the oversight of 16 AmeriCorps VISTA Members supporting Manchester based nonprofits.



## Susan L. Silsby

### SUMMARY OF QUALIFICATIONS

- Over 25 years of experience in the non-profit industry
- Successful track record in program operations across multiple states
- Strong leadership and managerial skills
- Solid fiscal management ability
- Exceptional customer service skills
- Professional, organized and highly motivated

### EDUCATION

University System of New Hampshire Plymouth, New Hampshire  
BA in Psychology

Varsity Swimming & Diving, Varsity Field Hockey, Delta Zeta National Sorority

### PROFESSIONAL EXPERIENCE

1988- Present EASTER SEALS NEW HAMPSHIRE

Senior Vice President of Program Services

Plan, develop, implement and monitor program services for adults throughout New Hampshire.

Manage all aspects of operations related to the delivery services including program development, financial management and personnel management.

Analyze trends in referrals, service delivery and funding to develop and implement strategic plans that increase the market share, enhance financial viability and improve public relations.

Report on administrative, financial, and programmatic outcomes.

Initiate and maintain contact with local and state agency representatives, at all levels, to promote Easter Seals services and develop new program opportunities.

Establish and maintain effective and positive relationships with public and private agencies, referring agencies, parents, funders, and community representatives to ensure customer satisfaction and solicit increased referrals

Other positions held: Vice President of Community Based Services, Director of Vocational Services, Direct Support Professional

**John D. Soucy, MSW, LICSW**

**EDUCATION**

May 1994      **Master of Social Work**  
Boston College Graduate School of Social Work  
Clinical Concentration

May 1991      **B. A. University of New Hampshire**  
Major: Psychology  
Minor: Judicial Studies

**EMPLOYMENT**

**May 2009- Present**      **Easter Seals of NH**  
**Senior Vice President of Children's Services**

**Residential and Educational Services**

Zachary Road- 106 bed residential facility, psychiatric and neurobehavioral  
Lancaster Treatment Facility and School- 27 bed residential facility, psychiatric and neurobehavioral  
Boy Intensive Residential Treatment- 16 bed residential facility, psychiatric and neurobehavioral  
Krol House- 5 bed residential facility, psychiatric and neurobehavioral  
Zachary Road School 60 students with neurobehavioral disabilities  
Jolicoeur School 70 students with psychiatric disabilities

**Early Support and Services**

Salem- In home and outpatient services for ages birth to 3 (PT, OT and Speech)  
Manchester- In home services for ages birth to 3 (PT, OT and Speech)

**Child Development Services**

West Side Manchester- 225 children pre-school program and community resource center  
Auburn Street-75 children pre-school program

**Autism Services**

Clinic and In-home services for children with autism-Applied Behavioral Analysis

**Camp**

Camp-Sno Mo-Summer Camp for children with special needs

- Monitoring the daily operations of direct service programs
- Supervision of all program directors
- Assure that all clinical services are provided in accordance with agency's therapeutic policies and procedures
- Assure all educational requirements are consistent with the

Department of Education

- Assure all clinical records are consistent with licensing, certification and accreditation requirements
- Represent the agency with presentations to community groups and other organizations
- Manage a \$32,000,000 budget
- Responsible for approximately 1000 staff

**May 1990-  
May 2009**      **Odyssey House of New Hampshire**

**April 2001-**      **Director of Operations**

- Monitoring the daily operations of direct service programs
- Supervision of all program directors
- Assure that all clinical services are provided in accordance with agencies therapeutic policies and procedures
- Training of program staff in agency's clinical philosophy, policies and procedures
- Assure all clinical records are consistent with licensing, certification and accreditation requirements
- Represent the agency with presentations to community groups and other organizations
- Assist in development of new programs and services
- Member of Executive Management Team

**October 1999-  
July 2003**

**Program Director**

Odyssey House Adolescent Therapeutic Center  
(30 bed long term residential treatment program, psychiatric facility)

- Responsible for all internal operations
- Administrative and Clinical supervision/oversight for 60 staff
- Budget management
- Human resources responsibilities
- Responsible for maintaining all licenses and certifications

**June 1997-  
July 2003**

**Program Director**

Odyssey Blue Heron Inn  
(8 bed independent/transitional living program for 16 -21 years)

- Responsible for all internal operations
- Administrative and Clinical supervision of staff
- Treatment planning
- Budget management
- Human resources responsibilities

- Responsible for maintaining all licenses and certifications

September 1995-  
December 1999

**Program Director**

Odyssey PACE Program

(14 bed diagnostic program, adolescents)

- Responsible for all internal operations
- Administrative and Clinical supervision of staff
- Treatment planning
- Budget management
- Human resources responsibilities
- Responsible for maintaining all licenses and certifications
- Conducted Family Assessment for the courts
- Presented clinical recommendations to the courts

June 1998-  
December 1999

**Program Director**

Odyssey PACE Maine

(Diagnostic program for latency aged children, opened January 1999)

- Responsible for all aspects of licensing and opening new program
- Responsible for all internal operations
- Administrative and Clinical supervision of staff
- Treatment planning
- Budget management
- Human resources responsibilities
- Responsible for maintaining all licenses and certifications
- Conducted Family Assessment for the courts
- Presented clinical recommendations to the courts

March 1995-  
September 1995

**Clinical Coordinator/ Assistant Director**

Odyssey PACE Program

(14 bed diagnostic program, adolescents)

- Responsible for all internal operations
- Administrative and Clinical supervision of staff
- Treatment planning

January 1993-  
March 1995

**Therapist**

Odyssey House Adolescent Therapeutic Center

(30 bed long term residential treatment program, psychiatric facility)

- Treatment Team Leader
- Provided individual, family, and group therapy
- Facilitated substance abuse groups
- Co-led sexual abuse victims group
- Case management responsibilities

June 1991-  
January 1993

**Primary Care Giver**

Odyssey House Adolescent Therapeutic Center  
(30 bed long term residential treatment program, psychiatric facility)

- Case management responsibilities
- Provided individual counseling
- Crisis management/intervention

June 1990-  
September 1990

**Vocational Teacher's Assistant (Summer employment)**

Odyssey House Adolescent Therapeutic Center  
(30 bed long term residential treatment program, psychiatric facility)

- Assisted in teaching vocational skills
- Crisis intervention
- Mediated employee/employer relations

May 1990-  
June 1990

**Overnight Counselor (Summer employment)**

**Odyssey Stark House**  
(All female long term residential treatment program)

September 1992-  
May 2009

**Family Assessment Consultant**

Conduct in-home Family Assessment for the courts

**EASTER SEALS NEW HAMPSHIRE, INC.**Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Maureen Beauregard	President & CEO	\$387,818.00	0%	\$0
Claire Gagnon	CFO	\$170,000.00	0%	\$0
Lisabritt Solsky Stevens	CGRCO	\$170,000.00	0%	\$0
Catherine Kuhn	COO	\$170,000.00	0%	\$0
Tina Sharby	CHRO	\$242,754.00	0%	\$0
Peter Hastings	CIO	\$185,000.00	0%	\$0
Pamela Hawkes	CDO	\$170,000.00	0%	\$0
Susan Silsby	EVP	\$185,000.00	0%	\$0
John Soucy	SVP	\$168,205.00	0%	\$0

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth


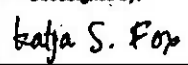
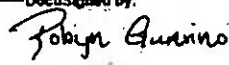
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

## AGREEMENT

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

## GENERAL PROVISIONS

## 1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name The Home for Little Wanderers, Inc.		1.4 Contractor Address 10 Guest Street, Boston, MA 02135	
1.5 Contractor Phone Number 857-208-0994	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 10/7/2022		1.12 Name and Title of Contractor Signatory Lesli Suggs CEO	
1.13 State Agency Signature DocuSigned by:  Date: 10/7/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 10/11/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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



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

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

**9. TERMINATION.**

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

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

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

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

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

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

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

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

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

#### 14. INSURANCE.

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

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

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

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

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

#### 15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").**

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

**12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.**

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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Scope of Services

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

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

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its Plan within five (5) days of notification of non-approval from the Department.

- 1.6. The Contractor must implement the Plan immediately upon notification of Department approval.
- 1.7. Reporting
  - 1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:
    - 1.7.1.1. Youth Served.
    - 1.7.1.2. Workforce, including, but not limited to:
      - 1.7.1.2.1. Total Staffing.
      - 1.7.1.2.2. Resignations.
      - 1.7.1.2.3. Vacant Positions.
      - 1.7.1.2.4. Offers.
  - 1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

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

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

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

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

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

**3.3. Credits and Copyright Ownership**

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

- 3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

- 3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

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

- 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

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

- 4.1. The Contractor must keep records that include, but are not limited to:
- 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
  - 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.



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EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

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Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.



New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT  
BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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



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Exhibit D

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

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

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



New Hampshire Department of Health and Human Services

Exhibit D

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

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

(3) **Obligations and Activities of Business Associate.**

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

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

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

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New Hampshire Department of Health and Human Services

Exhibit D

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Contractor Initials LS

Date 10/7/2022



## New Hampshire Department of Health and Human Services

## Exhibit D

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

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Date



New Hampshire Department of Health and Human Services

Exhibit D

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

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

Department of Health and Human Services

The Home for Little Wanderers

The State  
DocuSigned by:

Name of the Contractor  
DocuSigned by:

*Katja S. Fox*

*Lesli Suggs*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Lesli Suggs

Name of Authorized Representative

Name of Authorized Representative

Director

CEO

Title of Authorized Representative

Title of Authorized Representative

10/7/2022

10/7/2022

Date

Date



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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

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

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Exhibit E

DHHS Information Security Requirements



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

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

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

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

New Hampshire Department of Health and Human Services

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DHHS Information Security Requirements



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

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

**II. METHODS OF SECURE TRANSMISSION OF DATA**

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

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DHHS Information Security Requirements



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

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

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

**A. Retention**

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

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DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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

**Exhibit E**

**DHHS Information Security Requirements**



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

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

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

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

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



New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE HOME FOR LITTLE WANDERERS, INC is a Massachusetts Nonprofit Corporation registered to transact business in New Hampshire on January 11, 2021. 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: 860045

Certificate Number: 0005749551



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire;  
this 5th day of April A.D. 2022.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

### CERTIFICATE OF AUTHORITY

I, Deborah Gray 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 The Home for Little Wanderers, Inc.  
(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 June 21, 2022, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

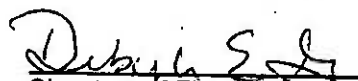
**VOTED:** That Lesli Suggs, President and CEO  
(Name and Title of Contract Signatory)

is duly authorized on behalf of The Home for Little Wanderers, Inc. 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: 10/4/2022

  
\_\_\_\_\_  
Signature of Elected Officer  
Name: Deborah E. Gray  
Title: Board Secretary



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/6/2022

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

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

<b>PRODUCER</b> License # 1780862 HUB International New England 600 Longwater Drive Norwell, MA 02061-9146	<b>CONTACT NAME</b> Sandra Leary	
	<b>PHONE (A/C, No, Ext)</b> (781) 792-3297	<b>FAX (A/C, No)</b>
<b>E-MAIL ADDRESS</b> sandra.leary@hubinternational.com		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A</b> Philadelphia Indemnity Insurance Company		18058
<b>INSURER B</b>		
<b>INSURER C</b>		
<b>INSURER D</b>		
<b>INSURER E</b>		
<b>INSURER F</b>		

**INSURED**

The Home for Little Wanderers, Inc.  
 Wediko Children's Services  
 10 Guest Street  
 Brighton, MA 02135-4554

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE L MIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK2343902	11/1/2021	11/1/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPOP AGG \$ 3,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2343906	11/1/2021	11/1/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB791229	11/1/2021	11/1/2022	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N N/A If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACC DENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liabil			PHPK2343902	11/1/2021	11/1/2022	\$3 million Aggregate 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  State of New Hampshire Department of Health and Human Services 129 Pleasant Street Concord, NH 03301-3857	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/07/2022

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

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

<b>PRODUCER</b> HUB INTERNATIONAL OF NEW ENGLAND LLC 600 LONGWATER DR NORWELL MA 02061-1639	<b>CONTACT NAME:</b> SANDRA LEARY <b>PHONE (A/C, No., Ext):</b> (781) 792-3200 <b>E-MAIL ADDRESS:</b> SANDRA.LEARY@HUBINTERNATIONAL.COM <b>FAX (A/C, No.):</b> (866) 495-3396
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> THE HOME FOR LITTLE WANDERERS INC 11 BOBCAT BLVD WINDSOR NH 03244	<b>INSURER A:</b> TECHNOLOGY INSURANCE COMPANY <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>

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

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

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	SUBROGATION	WAIVED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b>							EACH OCCURRENCE \$
	CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>							DAMAGE TO RENTED PREMISES (Ea occurrence) \$
								MED EXP (Any one person) \$
								PERSONAL & ADV INJURY \$
GEN'L AGGREGATE LIMIT APPLIES PER:								GENERAL AGGREGATE \$
								PRODUCTS - COMP/OP AGG \$
								\$
	<b>AUTOMOBILE LIABILITY</b>							COMBINED SINGLE LIMIT (Ea accident) \$
	ANY AUTO							BODILY INJURY (Per person) \$
	OWNED AUTOS ONLY		SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	HIRED AUTOS ONLY		NON-OWNED AUTOS ONLY					PROPERTY DAMAGE (Per accident) \$
								\$
	<b>UMBRELLA LIAB</b>							EACH OCCURRENCE \$
	EXCESS LIAB		OCCUR					AGGREGATE \$
			CLAIMS-MADE					\$
	DED							\$
								\$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>							<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N	N/A	N	TARNH1034243-02	04/13/2022	04/13/2023	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
								E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b> STATE OF NEW HAMPSHIRE-DEPARTMENT OF HEALTH AND HUMAN SERVICES 129 PLEASANT STREET CONCORD NH 03301-3857	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Gvette Dall</i>
---	--



**TAGLINE**

**Better, Brighter Futures for Kids**

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**MISSION**

**To help vulnerable children and their families build permanent, positive change**

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**Financial Statements**  
**The Home for Little Wanderers**  
**June 30, 2021 and 2020**



# THE HOME FOR LITTLE WANDERERS

## *Financial Statements*

### *Table of Contents*

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Mayer Hoffman McCann P.C.  
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## *Independent Auditors' Report*

The Board of Directors  
The Home for Little Wanderers  
Boston, Massachusetts

We have audited the accompanying financial statements of The Home for Little Wanderers (the "Home"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Home for Little Wanderers as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Maya Hoffman McCann P.C.*

February 15, 2022  
Boston, Massachusetts

## THE HOME FOR LITTLE WANDERERS

### Statements of Financial Position

June 30,

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,805,372	\$ 886,509
Cash - restricted funds	68,328	79,954
Accounts receivable, net of allowance for doubtful accounts of \$549,432 and \$722,791 at June 30, 2021 and 2020, respectively	9,318,312	6,664,498
Contributions and grants receivable, net	535,283	219,043
Investment income receivable	21,317	31,180
Investments	3,600,000	3,700,000
Prepaid expenses and other current assets	<u>1,778,666</u>	<u>922,740</u>
<b>Total current assets</b>	<b>17,127,278</b>	<b>12,503,924</b>
Contributions and grants receivable, net	352,242	17,858
Investments	75,367,704	67,294,656
Beneficial interest in perpetual trusts	16,193,947	13,456,073
Property, plant and equipment, net	<u>39,313,505</u>	<u>40,936,866</u>
<b>Total assets</b>	<b>\$ <u>148,354,676</u></b>	<b>\$ <u>134,209,377</u></b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Line of credit	\$ 6,114,742	\$ 4,324,456
Current portion of long-term debt	1,143,333	1,127,032
Accounts payable, accrued expenses, and other current liabilities	7,162,018	7,187,609
Client funds	<u>46,657</u>	<u>56,909</u>
<b>Total current liabilities</b>	<b>14,466,750</b>	<b>12,696,006</b>
Long-term debt, net of current portion	17,824,778	19,753,638
Other liabilities	<u>780,312</u>	<u>701,185</u>
<b>Total liabilities</b>	<b>33,071,840</b>	<b>33,150,829</b>
Net assets:		
Without donor restrictions	57,950,522	51,898,531
With donor restrictions	<u>57,332,314</u>	<u>49,160,017</u>
<b>Total net assets</b>	<b>115,282,836</b>	<b>101,058,548</b>
<b>Total liabilities and net assets</b>	<b>\$ <u>148,354,676</u></b>	<b>\$ <u>134,209,377</u></b>

## THE HOME FOR LITTLE WANDERERS

## Statements of Activities

Years Ended June 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Program revenue	\$ 52,587,288	\$ -	\$ 52,587,288	\$ 39,740,561	\$ -	\$ 39,740,561
Contributions	8,067,479	1,004,384	9,071,863	6,663,272	2,046	6,665,318
Utilization of board approved spending policy	3,700,000	-	3,700,000	3,800,000	-	3,800,000
In-kind revenue	118,178	-	118,178	94,856	-	94,856
Other operating revenue	59,428	-	59,428	9,214	-	9,214
Net assets released from restrictions	228,277	(228,277)	-	138,887	(138,887)	-
<b>Total revenues and other support</b>	<b>64,740,648</b>	<b>776,107</b>	<b>65,516,755</b>	<b>50,446,790</b>	<b>(138,841)</b>	<b>50,309,949</b>
Operating expenses:						
Programs	56,527,777	-	56,527,777	46,549,847	-	46,549,847
Administrative and general	8,652,064	-	8,652,064	7,946,129	-	7,946,129
Fundraising	2,079,776	-	2,079,776	2,017,081	-	2,017,081
<b>Total operating expenses</b>	<b>67,259,617</b>	<b>-</b>	<b>67,259,617</b>	<b>56,513,057</b>	<b>-</b>	<b>56,513,057</b>
<b>Change in net assets from operations</b>	<b>(2,518,969)</b>	<b>776,107</b>	<b>(1,742,862)</b>	<b>(6,066,267)</b>	<b>(138,841)</b>	<b>(6,203,108)</b>
Non-operating income (expense):						
Net investment return	8,382,474	10,852,004	19,234,478	900,318	572,704	1,473,022
Board approved spending policy appropriation	(744,186)	(2,955,814)	(3,700,000)	(1,071,122)	(2,728,878)	(3,800,000)
Bequests	604,113	-	604,113	269,044	-	269,044
Other non-operating expenses	(171,441)	-	(171,441)	(41,054)	-	(41,054)
<b>Total non-operating income (expense)</b>	<b>8,070,960</b>	<b>7,896,190</b>	<b>15,967,150</b>	<b>57,186</b>	<b>(2,156,174)</b>	<b>(2,098,988)</b>
<b>Change in net assets before changes related to acquisition of Wediko and fund re-designation</b>	<b>5,551,991</b>	<b>8,672,297</b>	<b>14,224,288</b>	<b>(6,009,081)</b>	<b>(2,293,015)</b>	<b>(8,302,096)</b>
Endowment fund re-designation	500,000	(500,000)	-	-	-	-
Inherent contribution in acquisition of Wediko	-	-	-	2,620,896	69,724	2,690,620
<b>Change in net assets</b>	<b>6,051,991</b>	<b>8,172,297</b>	<b>14,224,288</b>	<b>(3,388,185)</b>	<b>(2,223,291)</b>	<b>(5,611,476)</b>
Net assets, beginning of year	51,898,531	49,160,017	101,058,548	55,286,716	51,383,308	106,670,024
<b>Net assets, end of year</b>	<b>\$ 57,950,522</b>	<b>\$ 57,332,314</b>	<b>\$ 115,282,836</b>	<b>\$ 51,898,531</b>	<b>\$ 49,160,017</b>	<b>\$ 101,058,548</b>

See accompanying notes to the financial statements.

## THE HOME FOR LITTLE WANDERERS

## Statements of Functional Expenses

Years Ended June 30,

	2021				2020			
	Programs	Administrative and General	Fundraising	Totals	Programs	Administrative and General	Fundraising	Totals
Operating expenses:								
Salaries and wages	\$ 35,621,038	\$ 4,270,253	\$ 1,088,068	\$ 40,979,357	\$ 28,639,648	\$ 3,862,533	\$ 1,007,817	\$ 33,309,998
Payroll taxes and employee benefits	8,152,347	980,591	247,904	9,380,842	6,951,797	933,154	249,472	8,134,423
Total salaries and related benefits	<u>43,773,385</u>	<u>5,250,844</u>	<u>1,335,970</u>	<u>50,360,199</u>	<u>35,591,443</u>	<u>4,695,687</u>	<u>1,257,289</u>	<u>41,444,419</u>
Depreciation and amortization	2,134,706	295,450	29,983	2,460,139	1,831,523	260,484	34,487	2,126,474
Equipment repairs and replacements	2,004,503	521,488	44,584	2,570,555	1,972,434	560,339	96,787	2,629,540
Client expenses	1,080,404	-	-	1,080,404	1,213,338	-	655	1,213,993
Professional fees	280,671	978,636	88,855	1,348,162	143,021	930,872	37,521	1,111,414
Rent	1,007,958	344,675	88,309	1,440,942	786,849	382,750	106,741	1,276,340
Food and other program supplies	2,396,692	63,923	386	2,461,001	1,369,104	42,110	183	1,411,377
Utilities	1,093,401	68,843	10,649	1,170,893	992,819	65,326	12,867	1,071,012
Transportation	250,818	25,901	1,022	277,741	370,693	41,499	5,556	417,748
Insurance	634,154	72,802	12,477	719,433	642,904	123,957	16,329	783,190
Other expenses	79,933	104,982	27,803	212,718	251,185	249,792	34,543	535,520
Office expense	13,174	154,225	278,588	445,987	95,182	184,827	216,110	496,119
Contracted services	225,561	378,264	41,966	645,791	342,870	212,600	6,016	561,488
Interest	493,292	315,270	-	808,562	504,022	284,372	-	788,394
Bad debts	521,462	-	15,000	536,462	281,664	-	775	282,439
Special events	1,109	-	100,582	101,691	10,262	83	188,726	199,071
Advertising	211,810	78,761	3,622	294,193	149,584	11,431	2,556	163,571
Subcontracted direct services	324,744	-	-	324,744	950	-	-	950
Total operating expenses	<u>56,527,777</u>	<u>8,652,064</u>	<u>2,079,776</u>	<u>67,259,617</u>	<u>46,549,847</u>	<u>7,946,129</u>	<u>2,017,081</u>	<u>56,513,057</u>
Non-operating expenses:								
Other non-operating expenses	-	171,441	-	171,441	-	41,054	-	41,054
Total non-operating expenses	<u>-</u>	<u>171,441</u>	<u>-</u>	<u>171,441</u>	<u>-</u>	<u>41,054</u>	<u>-</u>	<u>41,054</u>
Total expenses	<u>\$ 56,527,777</u>	<u>\$ 8,823,505</u>	<u>\$ 2,079,776</u>	<u>\$ 67,431,058</u>	<u>\$ 46,549,847</u>	<u>\$ 7,987,183</u>	<u>\$ 2,017,081</u>	<u>\$ 56,554,111</u>

See accompanying notes to the financial statements.

## THE HOME FOR LITTLE WANDERERS

### Statements of Cash Flows

Years Ended June 30,

	2021	2020
<b>Cash flows from operating activities:</b>		
Change in net assets before changes related to acquisition of Wediko	\$ 14,224,288	\$ (8,302,096)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	2,423,693	2,124,675
Amortization of debt issuance costs	36,446	4,562
Realized and unrealized (gains) losses from investments	(16,154,014)	581,561
Donated securities	58,452	58,452
Proceeds from sales of donated securities	(58,452)	(58,452)
Bad debt expense	536,462	282,439
Change in:		
Accounts receivable	(3,190,276)	(1,372,304)
Contributions and grants receivable	(650,624)	41,630
Investment income receivable	9,863	13,006
Prepaid expenses and other current assets	(855,926)	387,966
Accounts payable, accrued expenses, and other current liabilities	(25,591)	690,742
Client funds	(10,252)	7,880
Other liabilities	79,127	125,977
<b>Net cash used in operating activities</b>	<b><u>(3,576,804)</u></b>	<b><u>(5,413,962)</u></b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(4,084,043)	(33,123,000)
Proceeds from sale of investments	9,527,135	45,399,227
Purchases of property and equipment	(800,332)	(2,120,702)
Cash assumed from acquisition of Wediko	-	663,014
<b>Net cash provided by investing activities</b>	<b><u>4,642,760</u></b>	<b><u>10,818,539</u></b>
<b>Cash flows from financing activities:</b>		
Net change in borrowings under line of credit	1,790,286	(4,020,511)
Debt issuance costs	(38,305)	(103,246)
Repayment of long-term debt	(1,910,700)	(571,535)
<b>Net cash used in financing activities</b>	<b><u>(158,719)</u></b>	<b><u>(4,695,292)</u></b>
<b>Net change in cash and cash equivalents</b>	<b>907,237</b>	<b>709,285</b>
Cash, cash equivalents and restricted cash, beginning	<u>966,463</u>	<u>257,178</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<b><u>\$ 1,873,700</u></b>	<b><u>\$ 966,463</u></b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	<u>\$ 813,925</u>	<u>\$ 789,025</u>

See Note 12 for additional non-cash investing activities related to the acquisition of Wediko in 2020.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 1 - Nature of Activities and Significant Accounting Policies**

##### ***Nature of Activities***

The Home for Little Wanderers (the "Home") is a Massachusetts based not-for-profit organization whose mission is to ensure the healthy behavioral, emotional, social, and educational development and physical well-being of children and families living in at-risk circumstances.

A summary of significant accounting policies follows:

##### ***Classification and Reporting of Net Assets***

The financial statements of the Home have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America which requires that information regarding its financial position and activities are reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for general use and not subject to donor restrictions. The Board of Directors has designated amounts from net assets without donor restrictions to function as endowment. Net assets without donor restrictions also include the investment in property, plant and equipment, net of accumulated depreciation and related debt.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, in which the donor stipulates that resources be maintained in perpetuity. Restrictions that are permanent in nature may also include investment earnings on certain investments as stipulated by donor restrictions, as well as gains and losses from beneficial interests in perpetual trusts. Unexpended gains on endowments are also included in this category until appropriated for expenditure by the Board.

##### ***Cash and Cash Equivalents***

For purposes of the statements of cash flows, the Home considers all highly liquid investments purchased with a maturity date of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered part of investments.

The Home maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Home has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

##### ***Accounts Receivable***

The Home records accounts receivable at estimated net realizable value when there is an unconditional right to consideration. Accounts receivable consist primarily of amounts related to grants and contracts from state and local governments and amounts due from third-party payor sources. Grants and contracts receivable are carried at the original invoice amount less amounts covered by other sources.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

##### ***Accounts Receivable (Continued)***

Management estimates the allowance for doubtful accounts based on history of collections and knowledge acquired about specific terms. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. An account is considered uncollectible when all efforts to collect the account have been exhausted. Interest is not charged on accounts receivable.

##### ***Investments***

Investments are carried at fair value. Fair value is determined as per the fair value measurements policy in this section.

Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investment returns are allocated ratably to the funds that underlie the investments.

##### ***Fair Value Measurements***

The Home reports required types of financial instruments in accordance with the fair value standards of accounting. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, the Home reports certain investments using the net asset value ("NAV") per share as determined by investment managers under the so called "practical expedient." The practical expedient allows NAV per share to represent fair value for reporting purposes when the criteria for using this method are met.

Instruments measured and reported at fair value other than those at NAV are classified and disclosed in one of the following categories:

Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities that the Home has the ability to access at measurement date.

Level 2 – Inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – Inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.



## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

**Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

***Fair Value Measurements (Continued)***

It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observable inputs and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

***Beneficial Interests in Perpetual Trusts***

Beneficial interest in perpetual trusts are carried at fair value. Fair value is determined as per the fair value measurements policy in this section which at times includes the use of actuarial methods. These amounts are held by third party trustees and are considered to be restricted in perpetuity given that the Home does not have control over distributions from these trusts. Distributions to the Home are reported as contribution revenue without restrictions.

***Property, Plant and Equipment***

Property, plant and equipment acquisitions are recorded at cost or, if donated, at fair value on the date of donation when such items have an expected future life of greater than one year and the amount is greater than a management established capitalization threshold. Fair value of any donated land, buildings and equipment is recorded using a Level 3 market approach as per the fair value policies in this section. Also included in property, plant and equipment are costs associated with construction in progress. The Home capitalizes costs incurred in connection with various ongoing projects until such projects are completed at which time those costs are then reclassified to the appropriate fixed asset account. Expenditures for major renewals and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred.

Depreciation and amortization of property, plant and equipment are provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

	<b>Years</b>
Buildings and improvements	10-40
Leasehold improvements	Lesser of 10 years or life of lease
Computer and software	3
Furniture and equipment	3-10
Motor vehicles	5

Included in buildings and improvements are tenant improvements associated with an existing lease, with a corresponding liability recorded for the related tenant improvement allowance included in other liabilities. The asset and related liability are depreciated over the life of the lease.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

##### **Endowment Assets**

The Board has interpreted Massachusetts General Law as requiring investment earnings on net assets with donor restrictions that are permanent in nature to be retained in a restricted net asset classification until appropriated by the Board and expended. Massachusetts General Law allows the Board to appropriate for expenditure as much of the endowment fund as the Home determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. The Home shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors: the duration and preservation of the endowment fund; the purposes of the Home and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of the Home; and the investment policy of the Home.

The Home has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Home must hold in perpetuity or for a donor-specified period, as well as Board-designated funds. Endowment assets are invested in equities, mutual funds, fixed income funds, and alternative investments.

The Home's Board adopted a spending rate of 4.5% of the average fair value of the endowment investment portfolio over the preceding thirteen quarters, excluding the beneficial interest in perpetual trusts in 2021 and 2020. Spending approved for fiscal 2022 is \$3,600,000. Distributions from beneficial interests are in addition to these computed amounts. From time to time, the Board may approve additional spending for operations. See Note 10.

##### **Revenue Recognition and Operations**

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Under accounting standards, revenue may be earned under exchange transactions or contribution transactions as follows:

##### **Earned Support**

Exchange transactions are measured via a principles-based process that requires the entities: 1) identify the contract with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction prices; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) performance obligations are satisfied. Exchange transaction revenues are under arrangements that are one year or less in length.

The Home reports third party revenue earned in its Clinic and Day Care programs net of contractual adjustments to the Home's usual and customary rates, as well as an adjustment based on historical and industry collection standards in order to report net realizable revenue from these programs.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

##### **Revenue Recognition and Operations (Continued)**

###### **Earned Support (Continued)**

Investment returns are reported as increases or decreases in net assets with donor restrictions until appropriated to net assets without donor restrictions under the board approved spending policy.

###### **Contributed Support**

Program revenue and contributions are considered contributed support.

Program revenue consists of cost-reimbursement and unit rate grants, contracts and tuition from state and local agencies that are considered conditional contributions in that a barrier to entitlement must be met prior to the Home having a right to the related resources. The Home recognizes revenue when it has met the barrier to entitlement such as meeting a service delivery requirement, matching provision or incurring specified qualifying expenses in accordance with a framework of allowable costs or other barriers as stipulated in the grants and contracts such as performance requirements and/or the incurrence of allowable qualifying expenses. The Home bills funding sources primarily on a monthly basis following the month in which expenses have been incurred or services rendered to a client subject to the limits provided for in those grants and contracts. If amounts are received in advance of meeting a barrier to entitlement, such amounts are considered refundable advances.

The Home is subject to the regulations and rate formulas of the Massachusetts Executive Office for Administration and Finance Operational Services Division. Revenue is recorded by the individual programs either at the rate approved under negotiated contracts or at the rate of reimbursement as certified by the Massachusetts Operational Services Division. Excess of revenue over expenses from Commonwealth of Massachusetts supported programs, up to certain defined limits, can be utilized by the Home for expenditures in accordance with its exempt purposes provided such expenditures are reimbursable under the Operational Services Division regulations. Amounts in excess of these limits are subject to negotiated use or potential recoupment and are reported as a liability.

Contributions, including unconditional promises to give, are recorded as revenues as either without or with donor restrictions in the period verifiably committed by the donor. Contributions of assets other than cash are recorded as per the fair value policies included elsewhere in this section. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk adjusted discount rate depending on the time period involved. Amortization of the discount is included in contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Contributions with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions and reported as "net assets released from restrictions" when such time or purpose restrictions have been satisfied. Donor-restricted contributions whose restrictions are met in the same reporting period are presented as unrestricted support.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

##### **Revenue Recognition and Operations (Continued)**

###### **Contributed Support (Continued)**

Contributions received under \$10,000 with donor-imposed restrictions are reported as revenues of the net assets without donor restrictions category, however, donor-imposed restrictions are fulfilled in all cases regardless of reporting treatment. Contributions received over \$10,000 with donor-imposed restrictions are reported as revenues of the net assets with donor restrictions category.

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

The Home recognizes support in the form of donated services as per the fair value policies included elsewhere in this section using Level 3 methods on the date the services are provided if the services create or enhance nonfinancial assets or the services are provided by persons possessing certain skills that would typically need to be purchased if not provided by donation.

###### **Use of 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

###### **Operating and Non-operating Activity**

The statements of activities report the change in net assets from operating and non-operating activities. Operating revenues consist of items attributable to the Home's program services, certain contributions, certain amounts utilized under the Home's spending policy and other sources. Non-operating activities include any investment return net of the spending policy, bequests, non-operating related contributions and certain other non-operating revenues and expenses.

###### **Functional Allocation of Expenses**

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation of plant assets and operation and maintenance of plant expenses have been allocated to functional classifications based on square footage of facilities. Interest expense is allocated based on the functional purpose for which debt proceeds were used. Other costs have been allocated based on time and effort percentages.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

##### ***Income Tax***

The Home is organized as a public charity under Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal and state income taxes. Accordingly, no provision for income taxes is made in the financial statements.

##### ***Uncertain Tax Positions***

The Home accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. Interest and penalties assessed, if any, are accrued as income tax expense. The Home has identified its tax status as a tax-exempt entity and its determination as to its income being related or unrelated as its only significant tax positions. However, the Home has determined that such tax positions do not result in an uncertainty requiring recognition. The Home is not currently under examination by any taxing jurisdiction. The Home's Federal and state tax returns are generally open for examination for three years following the date filed.

##### ***Future Accounting Pronouncements***

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which requires a lessee to recognize a right-of-use asset and a lease liability for all leases, initially measured at the present value of the lease payments, in its statement of financial position. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal year ending June 30, 2023 for the Home. The Home is evaluating the impact of the new guidance on the financial statements.

Management believes that other pending accounting standards would have limited impact on the Home and, accordingly, have not outlined those standards here.

##### ***Subsequent Events***

The Home evaluated subsequent events through February 15, 2022, the date on which the financial statements were available to be issued.

#### **Note 2 - Liquidity and Availability**

The Home regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Home has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and a line of credit.

## THE HOME FOR LITTLE WANDERERS

### Notes to Financial Statements

#### Note 2 - Liquidity and Availability (Continued)

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Home considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Although not expected to be needed, the spendable yet restricted portion of the Home's net assets could be used to meet cash needs if necessary. Prudent investment management, however, must be considered to ensure the preservation of the funds for future use.

The following table shows the financial assets held by the Home that are available within one year of the statement of financial position date to meet general expenditures:

	2021	2020
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	\$ 1,805,372	\$ 886,509
Accounts receivable, net	9,318,312	6,664,498
Contributions and grants receivable, net	535,283	219,043
Investment income receivable	21,317	31,180
Endowment spending rate distribution and appropriations	3,600,000	3,700,000
Approved supplemental spending draw on board-designated funds	-	2,000,000
	-	2,000,000
<b>Total financial assets available to meet general expenditures over the next 12 months</b>	<b>\$ 15,280,284</b>	<b>\$ 13,501,230</b>

#### Note 3 - Contributions and Grants Receivable

Contributions and grants receivable are as follows at June 30:

	2021	2020
Less than one year	\$ 554,277	\$ 229,043
One to five years	352,242	17,858
	906,519	246,901
Less unamortized discount and allowance	(18,994)	(10,000)
	887,525	236,901
Less current portion	(535,283)	(219,043)
	352,242	17,858
<b>Contributions and grants receivable, net of current portion</b>	<b>\$ 352,242</b>	<b>\$ 17,858</b>

## THE HOME FOR LITTLE WANDERERS

### Notes to Financial Statements

#### Note 4 - Investments and Fair Value Measurements

Investments and fair value items are as follows at June 30:

	2021			Total
	Level 1	Level 3	Investments Measured at NAV	
<b>Assets</b>				
Marketable equity securities and equity mutual funds:				
International equities	\$ 15,860,464	\$ -	\$ -	\$ 15,860,464
Domestic equities	28,901,911	-	-	28,901,911
Mutual funds	98,919	-	-	98,919
Cash equivalents	295,311	-	-	295,311
U.S. government and debt obligations and fixed income mutual funds				
	20,246,025	-	-	20,246,025
Alternative investments:				
Global private equity fund	-	-	677,968	677,968
Structured credit fund	-	-	3,122,721	3,122,721
Core property fund	-	-	6,075,184	6,075,184
Private asset fund	-	-	3,689,201	3,689,201
<b>Total investments</b>	<b>65,402,630</b>	<b>-</b>	<b>13,565,074</b>	<b>78,967,704</b>
Beneficial interest in perpetual trusts				
	-	16,193,947	-	16,193,947
<b>Total items reported on a recurring basis at fair value</b>	<b>\$ 65,402,630</b>	<b>\$ 16,193,947</b>	<b>\$ 13,565,074</b>	<b>\$ 95,161,651</b>

## THE HOME FOR LITTLE WANDERERS

### Notes to Financial Statements

#### Note 4 - Investments and Fair Value Measurements (Continued)

	2020			
	Level 1	Level 3	Investments Measured at NAV	Total
<b>Assets</b>				
Marketable equity securities and equity mutual funds:				
International equities	\$ 17,979,766	\$ -	\$ -	\$ 17,979,766
Domestic equities	21,638,053	-	-	21,638,053
Mutual funds	42,079	-	-	42,079
Cash equivalents	362,156	-	-	362,156
U.S. government and debt obligations and fixed income mutual funds	18,646,516	-	-	18,646,516
Alternative investments:				
Global private equity fund	-	-	1,315,230	1,315,230
Structured credit fund	-	-	2,021,503	2,021,503
Core property fund	-	-	5,829,157	5,829,157
Private asset fund	-	-	3,160,196	3,160,196
Total investments	58,668,570	-	12,326,086	70,994,656
Beneficial interest in perpetual trusts	-	13,456,073	-	13,456,073
<b>Total items reported on a recurring basis at fair value</b>	<b>\$ 58,668,570</b>	<b>\$ 13,456,073</b>	<b>\$ 12,326,086</b>	<b>\$ 84,450,729</b>

Unfunded commitments related to alternative investments were \$7,195,096 and \$8,052,140 for the years ended June 30, 2021 and 2020, respectively.



## THE HOME FOR LITTLE WANDERERS

### Notes to Financial Statements

#### Note 4 - Investments and Fair Value Measurements (Continued)

The changes in assets measured at fair value for which the Home has used Level 3 inputs to determine fair value, which is limited to beneficial interests in trusts, are as follows as of June 30:

	<b>2021</b>	<b>2020</b>
Beginning of year	\$ 13,456,073	\$ 13,605,448
Investment activity:		
Change in fair value	3,859,272	459,723
Distributions	<u>(1,121,398)</u>	<u>(609,098)</u>
<b>End of year</b>	<b><u>\$ 16,193,947</u></b>	<b><u>\$ 13,456,073</u></b>

Investments equal to the upcoming year's Board approved spending policy of \$3,600,000 and \$3,700,000 as of June 30, 2021 and 2020, respectively, are classified as current in the accompanying statements of financial position. These amounts are reflected as current assets because they represent the draw from investments to fund the Home's operations in the subsequent fiscal year. Since the remaining amount of investments is intended for long-term investment purposes, these investments are classified as long-term assets.

Investment return is comprised of the following for the years ended June 30:

	<b>2021</b>	<b>2020</b>
Interest and dividend income	\$ 3,518,757	\$ 2,473,893
Net realized and unrealized gains (losses)	16,154,014	(581,561)
Investment fees	<u>(438,293)</u>	<u>(419,310)</u>
<b>Total investment return, net</b>	<b>19,234,478</b>	<b>1,473,022</b>
Less amount availed per endowment spending policy	<u>(3,700,000)</u>	<u>(3,800,000)</u>
<b>Investment return, net of amounts availed</b>	<b><u>\$ 15,534,478</u></b>	<b><u>\$ (2,326,978)</u></b>

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 5 - Property, Plant and Equipment**

Property, plant and equipment is as follows at June 30:

	<b>2021</b>	<b>2020</b>
Land and improvements	\$ 2,467,326	\$ 2,463,031
Buildings and improvements	46,827,576	46,807,226
Leasehold improvements	3,159,604	3,159,604
Furniture and equipment	8,234,409	8,149,383
Motor vehicles	218,095	218,095
Assets held for sale	246,000	246,000
Construction in progress	<u>2,002,955</u>	<u>1,245,359</u>
	63,155,965	62,288,698
Less accumulated depreciation and amortization	<u>(23,842,460)</u>	<u>(21,351,832)</u>
	<b><u>\$ 39,313,505</u></b>	<b><u>\$ 40,936,866</u></b>

The estimated remaining costs committed to complete construction in progress amounted to approximately \$286,000 and will be completed in fiscal year 2022.

#### **Note 6 - Line of Credit**

The Home has an unsecured line of credit with a financial institution with a maximum borrowing limit of \$10,000,000, subject to renewal in February of each year. The line is payable on demand with interest payable monthly equal to the LIBOR Advantage Rate plus 1.95% (2.05% and 2.11% at June 30, 2021 and 2020, respectively). The line of credit agreement requires the Home to maintain certain financial and administrative covenants. See Note 7.

## THE HOME FOR LITTLE WANDERERS

### Notes to Financial Statements

#### Note 7 - Long-Term Debt

Long-term debt consists of the following at June 30:

	2021	2020
Massachusetts Development Finance Agency privately placed fixed rate bonds, collateralized by certain real property with interest at a fixed rate of 3.45% and a maturity date of March 1, 2037. The bonds are subject to certain financial and administrative covenants.	\$ 8,835,000	\$ 9,345,000
Term loan to reimburse construction related costs associated with a certain project up to \$6,400,000, collateralized by a percentage of the Home's investments as defined in the agreement, with interest payable at one-month LIBOR plus 1% (1.10% and 1.16% as of June 30, 2021 and 2020, respectively) and a maturity date of July 1, 2025. The loan is subject to certain financial and administrative covenants.	4,946,726	5,962,872
Note payable to repay a portion of existing notes assumed as part of the Wediko acquisition, collateralized by certain investments and real property with interest at a fixed rate of 3.28% and a maturity date of April 25, 2025. The note is subject to certain financial and administrative covenants.	2,657,632	2,912,355
New Hampshire HEFA mortgage note payable, collateralized by certain real property with interest at a fixed rate of 3.12% and a maturity date of September 1, 2037. The note is subject to certain financial and administrative covenants.	2,677,397	2,800,952
Auto loan payable, collateralized by certain real property. The loan does not bear interest and has a maturity date of July 1, 2025.	<u>25,629</u>	<u>31,905</u>
	19,142,384	21,053,084
Less: debt issuance costs, net of amortization	(174,273)	(172,414)
Less: current portion	<u>(1,143,333)</u>	<u>(1,127,032)</u>
<b>Long-term debt, net of current portion</b>	<b><u>\$ 17,824,778</u></b>	<b><u>\$ 19,753,638</u></b>

Unamortized bond issuance costs are being amortized using the straight-line method through the final maturity date of each respective bond issue.

The Home did not meet certain financial covenants as of June 30, 2021 and non-financial covenants as of June 30, 2021 and 2020. As such, the Home obtained waivers from the lender as of those dates. Management expects to be able to keep its financing arrangements in place over time, however the Home maintains sufficient liquidity should payment be required.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 7 - Long-Term Debt (Continued)**

Scheduled maturity dates of long-term debt over the next five years and in the aggregate are as follows for the years ending June 30:

2022	\$	1,143,333
2023		1,168,590
2024		1,191,623
2025		1,210,854
2026		4,981,082
Thereafter		<u>9,446,902</u>
	<b>\$</b>	<b><u>19,142,384</u></b>

#### **Note 8 - Operating Lease Commitments**

The Home leases equipment, vehicles and office space from unrelated third parties under operating lease agreements through September 2028. Certain of the leases provide for additional rent associated with increases in operating costs. Total rent and other lease expense under all lease agreements was \$1,665,349 and \$1,512,413 for the years ended June 30, 2021 and 2020, respectively.

Future minimum annual lease payments over the next five years and in the aggregate are as follows for the years ending June 30:

2022	\$	1,382,086
2023		947,168
2024		820,751
2025		449,129
2026		129,714
Thereafter		<u>300,333</u>
	<b>\$</b>	<b><u>4,029,181</u></b>

#### **Note 9 - Retirement Plans**

The Home has a qualified 403(b) tax deferred retirement plan which covers substantially all of its employees. The Home makes matching contributions of 100% of employee deferrals, up to a maximum of 3% of annual salary subject to legal limits. Expenses under this plan were approximately \$324,000 and \$509,000 for the years ended June 30, 2021 and 2020, respectively. Effective January 1, 2021 through June 30, 2021, the Home suspended employer contributions to the plan.

The Home also has a non-qualified deferred compensation plan under Sections 457(b) and 457(f) of the Internal Revenue Code for a key employee. Contributions to these plans totaled \$26,181 and \$25,375 for the years ended June 30, 2021 and 2020, respectively. The fair value of the investments and liabilities under these plans was \$98,920 and \$42,753 at June 30, 2021 and 2020, respectively, and is included within investments and other liabilities on the statements of financial position.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 10 - Net Assets and Endowment Matters**

##### **Net Assets Without Donor Restrictions**

Net assets without donor restrictions are composed of the following at June 30:

	<b>2021</b>	<b>2020</b>
Net investment in property and equipment	\$ 20,345,394	\$ 20,056,196
Board-designated funds	<u>37,605,128</u>	<u>31,842,335</u>
<b>Total net assets without donor restrictions</b>	<b><u>\$ 57,950,522</u></b>	<b><u>\$ 51,898,531</u></b>

Board-designated funds are stated net of the expected supplemental draw approved for the upcoming year and past operating deficits.

Net assets with donor restrictions are composed of the following at June 30:

	<b>2021</b>	<b>2020</b>
Gifts restricted to program operations	\$ 1,024,069	\$ 178,238
Endowment funds:		
Accumulated unspent returns on endowment funds	28,875,558	23,801,066
Endowments requiring one-half of investment income to be added to original gift and balance to general support	3,338,845	3,255,020
Other special endowments, income restricted for various program purposes of the Home	2,369,576	2,939,301
General support endowments	<u>5,530,319</u>	<u>5,530,319</u>
<b>Total endowment funds</b>	<b>40,114,298</b>	<b>35,525,706</b>
Beneficial interest in perpetual trusts	<u>16,193,947</u>	<u>13,456,073</u>
	<b><u>\$ 57,332,314</u></b>	<b><u>\$ 49,160,017</u></b>

## THE HOME FOR LITTLE WANDERERS

### Notes to Financial Statements

#### Note 10 - Net Assets and Endowment Matters (Continued)

##### Net Assets With Donor Restrictions

Net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes or by the occurrence of events specified by the donors to support program operations in the amount of \$228,277 and \$138,887 for the years ended June 30, 2021 and 2020, respectively.

The spending policy attributable to the endowment was \$2,955,814 and \$2,728,878 for the years ended June 30, 2021 and 2020, respectively.

The following is a summary of endowment net asset composition by type of fund as of June 30, 2021:

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Donor-restricted endowment funds	\$ -	\$ 40,114,298	\$ 40,114,298
Board-designated endowment funds	<u>38,502,946</u>	<u>-</u>	<u>38,502,946</u>
	<u>\$ 38,502,946</u>	<u>\$ 40,114,298</u>	<u>\$ 78,617,244</u>

The following is a summary of the changes in endowment net assets for the year ended June 30, 2021:

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Endowment net assets as of June 30, 2020	\$ <u>35,234,760</u>	\$ <u>35,525,706</u>	\$ <u>70,760,466</u>
Investment return:			
Net gains on investment transactions	7,568,401	7,222,991	14,791,392
Investment revenue	<u>1,257,326</u>	<u>821,415</u>	<u>2,078,741</u>
	<u>8,825,727</u>	<u>8,044,406</u>	<u>16,870,133</u>
Other changes:			
Spending policy	(744,186)	(2,955,814)	(3,700,000)
Appropriations and other expenses	(5,417,468)	-	(5,417,468)
Contributions	104,113	-	104,113
Endowment re-designation	<u>500,000</u>	<u>(500,000)</u>	<u>-</u>
	<u>(5,557,541)</u>	<u>(3,455,814)</u>	<u>(9,013,355)</u>
Endowment net assets as of June 30, 2021	<u>\$ 38,502,946</u>	<u>\$ 40,114,298</u>	<u>\$ 78,617,244</u>

Included in appropriations and other expenses as of June 30, 2021 and 2020 is \$5,000,000 and \$11,000,000, respectively. These amounts were approved by the Board as additional spending appropriations for operations.

## THE HOME FOR LITTLE WANDERERS

### Notes to Financial Statements

#### Note 10 - Net Assets and Endowment Matters (Continued)

##### Net Assets With Donor Restrictions (Continued)

The following is a summary of endowment net asset composition by type of fund as of June 30, 2020:

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Donor-restricted endowment funds	\$ -	\$ 35,525,706	\$ 35,525,706
Board-designated endowment funds	<u>35,234,760</u>	<u>-</u>	<u>35,234,760</u>
	<u>\$ 35,234,760</u>	<u>\$ 35,525,706</u>	<u>\$ 70,760,466</u>

The following is a summary of the changes in endowment net assets for the year ended June 30, 2020:

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Endowment net assets as of June 30, 2019	\$ <u>46,169,064</u>	\$ <u>37,462,780</u>	\$ <u>83,631,844</u>
Investment return:			
Net losses on investment transactions	(230,073)	(197,054)	(427,127)
Investment revenue	<u>1,567,768</u>	<u>919,134</u>	<u>2,486,902</u>
	<u>1,337,695</u>	<u>722,080</u>	<u>2,059,775</u>
Other changes:			
Spending policy	(1,071,122)	(2,728,878)	(3,800,000)
Appropriations and other expenses	(11,469,921)	-	(11,469,921)
Contributions	<u>269,044</u>	<u>69,724</u>	<u>338,768</u>
	<u>(12,271,999)</u>	<u>(2,659,154)</u>	<u>(14,931,153)</u>
<b>Endowment net assets as of June 30, 2020</b>	<u><b>\$ 35,234,760</b></u>	<u><b>\$ 35,525,706</b></u>	<u><b>\$ 70,760,466</b></u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor requires the Home to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. The aggregate deficiency between the fair value of the investments of the endowment fund as of June 30, 2021 and 2020 and the level required by donor stipulation was minimal.

## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### ***Note 11 - Commitments and Contingencies***

There are various legal proceedings pending that involve claims against the Home. These proceedings are, in the opinion of management, routine matters incidental to the normal business conducted by the Home. In the opinion of management, the ultimate disposition of such proceedings is not expected to have a material adverse effect, if any, on the Home's financial position, statements of activities, or cash flows.

#### ***Note 12 - Support Associated with COVID-19***

##### ***Federal and State Grants***

The Home applied for funding associated with the Provider Relief Program during fiscal year 2021, resulting in funding received in the amount of approximately \$843,000 throughout the year. The award stipulated that the funds could be used for COVID-19 related costs including personnel; personnel retention costs and other costs incurred prior to June 30, 2022. Such award has been recognized as revenue as costs were incurred during fiscal 2021.

During 2021, the Home was a beneficiary of approximately \$2,770,000 in Coronavirus Relief Fund assistance received through various departments of the Commonwealth of Massachusetts and the State of New Hampshire, all of which was used in the current year to cover additional costs incurred as a result of COVID-19 for the operations of its residential education programs.

##### ***Forward Impact***

The Organization expects continued impact from COVID-19 associated with revenues and costs, however, the level of impact is uncertain and will be driven by the trends of the pandemic, consumer behavior, regulatory requirements, along with other factors. The remaining funding as noted above will be available to mitigate such impact, however, the impacts may be greater than the funding available.

#### ***Note 13 - Acquisition***

On February 4, 2020, the Board of Directors of the Home voted to authorize the acquisition of Wediko Children's Services ("Wediko"). The transaction was completed on April 1, 2020, with Wediko dissolved and merged into the Home. The transaction was subject to acquisition accounting under GAAP as required. No consideration was transferred by the Home as part of the change in control.



## THE HOME FOR LITTLE WANDERERS

### *Notes to Financial Statements*

#### **Note 13 - Acquisition (Continued)**

At April 1, 2020 and for the period then ended, Wediko had total assets of \$11,038,640, total net assets of \$2,690,620, total revenue of \$10,112,118 and total expenses of \$12,302,093. As a result of assets acquired exceeding liabilities acquired, an inherent contribution was recorded on the statements of activities totaling \$2,690,620. Following is a summary of the fair value of the assets and liabilities acquired from Wediko on April 1, 2020, the acquisition date:

<b>Assets:</b>	
Cash and cash equivalents	\$ 663,013
Accounts receivable	2,092,447
Prepaid expenses and other current assets	88,863
Fixed assets, net	<u>8,194,317</u>
<b>Total assets</b>	<b>\$ <u>11,038,640</u></b>
<b>Liabilities:</b>	
Accounts payable, accrued expenses and other current liabilities	\$ 1,492,462
Debt	<u>6,855,558</u>
<b>Total liabilities</b>	<b>8,348,020</b>
<b>Net assets acquired</b>	<b><u>2,690,620</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>11,038,640</u></b>

## FY 23 HFLW Board of Directors and Officers - July 1, 2022 - June 30, 2023

Name	Affiliation
1 April Anderson	Board of Directors
2 Katie Bouton	<i>Founder &amp; CEO</i> Koya Leadership Partners
3 Maureen Burns	Board of Directors
4 Lauren Coyne	Board of Directors
5 Renee Connolly	Head of Communications and Corporate Responsibility <i>MilliporeSigma</i>
6 Deborah Gray	<i>General Counsel</i> The Achievement Network
7 Damon Hart	<i>Vice Deputy Chief Legal Officer</i> <i>Chair</i> Liberty Mutual Insurance
8 Beth Johnson	<i>Chief Marketing Officer and Head of Virtual Channels</i> Citizens Bank Financial Group
9 Jeff Keffer	<i>Chief Executive Officer and President</i> Longview Power
10 Demos Kouvaris	<i>COO and CFO</i> Chestnut Hill Ventures, LLC
11 Robert Lauck	<i>Partner, Audit and Assurance</i> Deloitte & Touche, LLP
12 Michelle McDonough	<i>COO/Managing Partner</i> Trillium Asset Management
13 Kristin Loranger	Board of Directors
14 Tim Miner	<i>President</i> <i>Chair</i> TJX   MarMaxx
15 Daniel M. Santaniello	<i>Executive Vice President, Manager of U.S. National Sales</i> Natixis Global Asset Management
16 Bruce Stewart	<i>Managing Director of Strategy</i> Pitcairn Trust Company
17 Andrew Suchoff	Board of Directors
18 Dan Tempesta	<i>Chief Financial Officer and EVP</i> Nuance Communications
20 Lesli Suggs	<i>Chief Executive Officer and President</i> The Home for Little Wanderers

updated 10/7/22

**MATTHEW MCCALL, MSW - LCSW**

**Profile**

A dynamic, seasoned social service executive leader and director with an extensive background in designing and delivering high quality clinical training; demonstrated impact with trauma informed programming; expertise in child, adolescent, and family evidence-based interventions, and proven success both in the classroom and in the field.

**Education**

*Simmons College Masters of Social Work – 2007 (Boston, MA)*

*Curry College Bachelor of Science in Psychology – 1999 (Milton, MA)*

**Additional Training and Certification**

Graduate Certificate in Urban Leadership (Simmons College)

Graduate Certificate in Relational and Multi-contextual Treatment of Trauma (Simmons College)

Massachusetts Institute of Community Health Leadership (Blue Cross Foundation)

Professionally Certified Training Manager/Director (Langevin Learning Services)

Myers-Briggs Type Inventory, Certified Practitioner (CPP, Inc.)

Outward Bound Professional Instructor

Certification in Trauma Focused Cognitive Behavior Therapy (Medical University of South Carolina)

Therapeutic Crisis Intervention and TCI for Families Instructor (Cornell University)

Eye Movement Desensitization and Reprocessing Therapy (EMDRIA)

Empowering Skills for Family Workers Instructor (Children's Trust Fund)

Child and Adolescent Functional Assessment Scale Trainer (MHS, Inc.)

American Red Cross Instructor

**Experience**

**The Home for Little Wanderers, Boston, MA**  
Vice President of Community Programs, 2018 – Present

Responsible for the operation of The Home's community support, afterschool, adoption, foster care, and transition aged youth programs. Oversees the day to day operation of these programs, encompassing 9-million-dollar budget and over 40 employees, serving 1250 youth and their families. Supports development and implementation of permanency based, trauma informed best practices to treat youth and families with histories of abuse, neglect, and mental health challenges. Develops new business for HLW, identifying new business lines, obtaining contracts and funding, opening of new programs and then transitioning them to permanent VP if outside the scope of VP of Community Programs. Formerly oversaw all out-of-home care facilities for The Home, including our residential treatment programs, group homes, and therapeutic day schools.

**More Than Words, Waltham and Boston, MA**  
Chief Program Officer, 2015 – 2018

Oversee the youth development programming and deepen staff and organizational capacity to create results for youth, assisting staff in analyzing and leveraging evaluative data in order to develop, implement and refine

**MATTHEW MCCALL, MSW - LCSW**

programs and continue to provide the highest levels of service to youth. Set strategic direction, shape priorities, monitor relevant shifts in the regional and national landscape, and develop systems and relationships.

**Simmons College, Boston, MA**

*Adjunct Professor in Masters of Social Work School, 2016 – Present*

Facilitate Advanced Clinical Practice and Clinical Capstone courses. Advanced practice course in social work program covers clinical practice principles including assessment, treatment planning, and advanced clinical interventions. Capstone course covers application of advanced practice in final capstone project for graduating students.

**The Home for Little Wanderers, Boston, MA**

*Director of Workforce Learning and Development (WL&D), 2013 – 2015*

Oversee the overall workforce development and consultation services of The Home for Little Wanderers (HLW). Work with executive managers, senior directors, and agency leadership to identify, assess, and design strategies to address organizational development through learning strategies, coaching and consultation, and professional development. Oversee staff of trainers and subject matter experts who analyze training needs, design curriculum, deliver content, and evaluate the effectiveness.

**More Than Words, Waltham, MA**

*Organizational Consultant, 2012 – 2015*

Provide organizational and clinical consultation for More Than Words, a youth run business for young adults involved in state systems. Consultations include business training, clinical training, and individual mentoring and coaching for managers and directors.

**The Home for Little Wanderers, Boston, MA**

*Associate Director of Workforce Learning and Development, 2010 – 2013*

Oversaw the consultation services, client training, and intern program for HLW. Worked with agency leadership to design, develop and implement trainings to support the healthy growth and development of youth from a variety of at-risk circumstances. Provided direct training and consultation services to programs and individuals. Supervised the HLW graduate and undergraduate programs.

**Mount Ida College, Newton, MA**

*Adjunct Professor in Human Services Department, 2010-2013*

Developed curriculum for and taught Working with Families, Clinical Interviewing and Communication, Group Practice, and Child Welfare.

**The Home for Little Wanderers, Boston, MA**

*Agency Training Manager of Workforce Learning and Development, 2010 – 2013*

Managed the HLW's training programs. Facilitated the New Employee Training and Orientations for over 250 employees a year. Ensured compliance with state and federal regulations.

**The Home for Little Wanderers, Boston, MA**

*Lead Agency Trainer for Training Department, 1999 – 2010*

Oversaw and delivered training to the over 30 different programs of HLW. Provided organizational and client focused trainings for programs including adoption, foster care, residential treatment, group homes, in home therapy teams, outpatient clinics, early intervention, and youth aging out programs.

**Career Highlights**

**MATTHEW MCCALL, MSW - LCSW**

- As the Chief Program Officer at More Than Words, I developed a comprehensive continuous learning model integrating motivational interviewing, cognitive and restorative approaches, and stages of change theory.
- Subject matter expert used in the asynchronous Advanced Clinical Practice course for Simmons Online Social Work Program.
- As the Interim Director of HLW's South East Campus (second largest program of HLW), reopened frozen intake, received licensing approval, increased reputation of program leading to increased census, and reorganized clients, staffing, and management structures to support continued success of program.
- Redesigned New Employee and Clinical Training offerings at The Home, including blended and distance learning utilizing Adobe Captivate and Blackboard, delivered curriculum for over 650 staff in Evidence Based Practice techniques including Cognitive Behavior Therapy, Solution Focused Therapy, and Trauma Informed Care.
- Published in Child Care in Practice - Moving from Pathology to Possibility: Integrating Strengths-based Interventions in Child Welfare Provision, Volume 20, Issue 1, January 2014, pages 120-134
- Provided extensive embedded consultations in programs struggling to meet their clients' needs. All programs returned to improved functioning at the end of consultation.
- Invited to speak/train at multiple colleges and organizations around Boston on supporting clients with trauma and to provide adventure based team building.
- Consistently rated at the highest level by students and employees attending classes, workshops, and trainings.

## Catherine O'Leary



### EDUCATION

#### **CAMBRIDGE COLLEGE**

Certificate in Substance Abuse Studies

**Cambridge, MA**

Dec. 2018

#### **PEPPERDINE UNIVERSITY**

Bachelor of Arts, Political Science

**Malibu, CA**

May 1993

### WORK EXPERIENCE

#### **THE HOME FOR LITTLE WANDERERS**

Vice President of Congregate Care

**Brighton, MA**

March 2020- Present

Responsible for leadership and oversight of The Home's Residential Schools and Group Home Programs. Provide guidance and supervision to Program Directors to ensure quality programming throughout programs. Serve on the executive leadership team to collaboratively promote the goals, mission, and vision of The Home.

#### **ELIOT COMMUNITY HUMAN SERVICES**

Service Director Social Services Division

**Lexington, MA**

Sept. 2014- March 2020

Oversee DCF contracted programs-STARR, IGH and Family Networks. Ensure that the model of care is implemented in all aspects of the work. Provide continuous improvement to program operations and service delivery. Part of senior leadership team that develops and implements a strategic plan.

#### **CAMBRIDGE FAMILY AND CHILDREN SERVICES**

Consultant

**Cambridge, MA**

Dec. 2011-July 2012

Provide programmatic consultation to a DCF contracted group home. Work with the Program Director to develop and implement systems, identify, and support best practices and create strategies to correct deficits.

#### **ELIOT COMMUNITY HUMAN SERVICES**

Service Director Juvenile Justice Division

**Lexington, MA**

July 2008-Sept. 2014

Supervise operations of detention, assessment, and treatment programs for DYS involved youth. Ensure service delivery is optimal and within contractual requirements and licensing regulations. Oversee start-up of newly contracted programs.

**ELIOT COMMUNITY HUMAN SERVICES**

**Roxbury, MA**

Program Director Metro Treatment

2007- July 2008

Provide oversight for a 20 bed DYS residential treatment program for high-risk adolescent males, including budgetary, clinical, medical, educational, and residential components. Hire, train, supervise and evaluate managers and staff. Provide 24 hour on-call coverage.

**ELIOT COMMUNITY HUMAN SERVICES**

**Framingham, MA**

Program Director, Chrysalis House

Sept. 2004- March 2007

Overall management of a 34-bed residential treatment facility for adolescent girls committed to DYS. Facilitate management, supervisory and staff meetings. Hire, train, supervise and evaluate managers and staff. Provide 24 hour on-call coverage.

**WALKER SCHOOL**

**Needham, MA**

Assistant Director of Residential Programs

Oct 199-Sept. 2004

Responsible for continuous program development and on-going management of intensive residential treatment and blended programs. Hire, train, supervise and evaluate supervisory and childcare staff. Facilitate weekly department, supervisor and treatment meetings. Oversee behavioral support system and activity programming.

**BAY STATE COMMUNITY HUMAN SERVICES**

**Weymouth, MA**

Survival Shelter, Assistant Director

Sept 1998-Oct. 1999

Provide supervision and on-going training for staff. Facilitate staff and treatment meetings. Develop and maintain positive, productive working relationships with funding source, licensing body and collaterals.

**THE HOME FOR LITTLE WANDERERS**

**Waltham, MA**

Childcare Supervisor/ Summer Program Coordinator

April 1997-Sept. 1998

Coordinate and supervise shifts and provide supervision to childcare staff. Plan and facilitate weekly therapeutic groups. Coordinate summer programming including oversight of staff and implementation of activities.

**CAROLINA HILL TRANSITIONAL SHELTER**

**Marshfield, MA**

Senior Child Life Advocacy Coordinator

Oct 1993-April 1997

Provide support and guidance to children and parents in a DTA funded shelter. Supervise Child Life Advocate Staff. Plan and execute daily activities for children, birth to adolescence.

# Gregory Stoddard, MSW, LICSW

## Profile

- Energetic** Drives and inspires performance in a team. Generates enthusiasm in others. Passionate evangelist for organizational mission.
- Creative** Creates effective staffing structures, training programs, and support systems. Quick and thorough thinker and collaborator. Uses the big picture to generate support for new enterprises and revolutionize old ones.
- Visionary** Articulates a vision and builds consensus and momentum around new ideas. Conveys to teams what the future will look like when we get there.

## Selected Professional Experience

### Camp Harbor View Foundation

04.2017 – 09.2017 *Executive Director, Programs*

- Guided a multimillion dollar non-profit program through its transition from a seasonal partnership program to an independent, year-round social service agency.

### Boys and Girls Clubs of Boston

10.2014 – 04.2017 *Executive Director, Camp Harbor View*

- Annually hired a seasonal staff of 98 adults and 75 teens, managed 11 year-round staff and program partners.
- Led the organization through the loss of the bridge connecting our island program site to the mainland.
- Wrote and managed an annual operating budget of \$2.6M. Under budget every year.
- Presented the camp and its philosophy to donors; drove millions in donations to the program.
- Collaborated with government agencies to complete annual regulatory and licensing processes.

09.2009 – 10.2014 *Director of Operations/Lead Social Worker, Camp Harbor View*

- Designed and implemented comprehensive staff management and training systems for year-round and seasonal staff.
- Provided and oversaw clinical services for a caseload of campers and families through individual, family, and group work.
- Supervised Masters-level staff and interns.
- Provided clinical supervision for social workers across the BGCB system.

05.2007 – 09.2009 *Camp Social Worker, Camp Harbor View*

- Designed comprehensive leadership development and behavior management strategies for the camp; behavior management strategy was later adopted across the organization.
- Provided clinical intervention services for a population of 800+ at-risk families annually.

06.2002 – 06.2008 *Club Social Worker, Yawkey Club of Roxbury*

- Provided clinical services and creative programming to club members and their families.
- Designed, secured funding for, and implemented the Boys and Girls Clubs of Boston Japan Journeys Program, which ran under my leadership for from 2005-2017.



### **Children's Hospital, Boston**

05.2004 – 03.2009 *Emergency Department Clinician*

- Performed psychosocial assessment, discharge planning, resource referral, suicide risk assessments, and other clinical services in the Emergency Department. On call overnights.

### **Wayside Multi Adventure Program**

06.1999 – 08-2001 *Program Coordinator*

- Planned and executed adventure therapy trips to the NH and Maine wilderness for DCF-involved youth. Seasonal position.

### **Wediko Children's Services**

03.1999 – 06.2001 *Recruiter, Wediko Children's Services Summer Program*

- Interviewed and reviewed staff applicants for the Wediko Summer Program

06.1998 – 09.1998 *Lead Staff*

- Led a clinical team of 7 staff in implementing a summer treatment program for 10 severely emotionally and/or behaviorally disturbed adolescents. Seasonal position.

06.1996 – 08.1997 *Vocational Program Coordinator*

- Planned, coordinated, and executed a vocational education for at-risk youth. Seasonal position.

## **Education**

### **Simmons College Graduate School of Social Work**

05.2002 Master of Social Work, MA LICSW #116100

### **Bates College**

05.1998 Bachelor of Arts, English Literature, Secondary Concentration in Japanese

## **Skills**

### **Languages**

English(Native), Japanese (75%), French (53%), Spanish (47%)

### **Professional**

Budget Management, Communication Skills, Flexibility, Fundraising, Leadership Development, Public Policy, Public Relations, Volunteer Management, Strategic Planning, Advocacy, Community Outreach and Mobilization. Skilled in PC publishing, word-processing, spreadsheet, and database applications. Conversant with MacOS, and related applications. Trained Challenge Course Facilitator.

### **Personal**

Interests in travel, woodworking, Japanese Tea Ceremony, and backyard chickens.

**CONTRACTOR NAME**  
**The Home for Little Wanderers**  
**Wediko**  
**Key Personnel**

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Matthew McCall	Vice President of Community Programs	\$125,107.87	10%	\$12,510.78
Cathy O'Leary	Vice President of Congregate Care	\$121,465.20	20%	\$24,293.04
Greg Stoddard	Program Director	101,175	70%	\$70,000

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

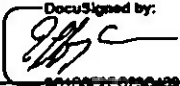
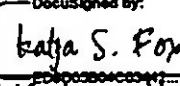
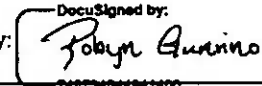
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

## 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 Mount Prospect Academy, Inc.		1.4 Contractor Address 350 Main Street, Plymouth, NH 03264	
1.5 Contractor Phone Number 603-359-5951	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 10/12/2022		1.12 Name and Title of Contractor Signatory Jeff Caron President	
1.13 State Agency Signature DocuSigned by:  Date: 10/12/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 10/14/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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

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

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

**9. TERMINATION.**

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

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

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

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

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

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

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

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

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

**14. INSURANCE.**

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

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

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit



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

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its Plan within five (5) days of notification of non-approval from the Department.

1.6. The Contractor must implement the Plan immediately upon notification of Department approval.

1.7. Reporting

1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:

1.7.1.1. Youth Served.

1.7.1.2. Workforce, including, but not limited to:

1.7.1.2.1. Total Staffing.

1.7.1.2.2. Resignations.

1.7.1.2.3. Vacant Positions.

1.7.1.2.4. Offers.

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

**2. Exhibits Incorporated**

2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

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

2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

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

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

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

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**Appropriate Programs and Services**

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

**3.3. Credits and Copyright Ownership**

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

- 3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

- 3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

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

- 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



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

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

4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.



## New Hampshire Department of Health and Human Services

## Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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



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Exhibit D

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

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

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





New Hampshire Department of Health and Human Services

Exhibit D

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

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

(3) **Obligations and Activities of Business Associate.**

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

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

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

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## New Hampshire Department of Health and Human Services

## Exhibit D

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Contractor Initials

Date 10/12/2022



## New Hampshire Department of Health and Human Services

## Exhibit D

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

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Exhibit D  
Health Insurance Portability  
Act Business Associate  
Agreement Page 5 of 6

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New Hampshire Department of Health and Human Services

Exhibit D

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

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

Department of Health and Human Services

Mount Prospect Academy

The State

Name of the Contractor

*Katja S. Fox*

*Jeff Caron*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Jeff Caron

Name of Authorized Representative

Name of Authorized Representative

Director

President

Title of Authorized Representative

Title of Authorized Representative

10/12/2022

10/12/2022

Date

Date

## 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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

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

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**II. METHODS OF SECURE TRANSMISSION OF DATA**

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

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

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

**A. Retention**

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

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DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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Exhibit E

DHHS Information Security Requirements



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

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

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

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

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

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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

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

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

# 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 MOUNT PROSPECT ACADEMY, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on December 24, 2002. 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: 423309

Certificate Number: 0005882400



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 12th day of October A.D. 2022.

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

David M. Scanlan  
Secretary of State



**CERTIFICATE OF AUTHORITY**

I, Jeffrey Park 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 Mount Prospect Academy, Inc.
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 Aug 25<sup>th</sup> 2022, at which a quorum of the Directors/shareholders were present and voting.

**VOTED:** That Jeffrey Caron (may list more than one person)

is duly authorized on behalf of Mount Prospect Academy, Inc. to enter into contracts or agreements with the State 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: 10/12/22

  
\_\_\_\_\_  
Jeffrey Park;  
Title: Secretary, Mount Prospect Academy, Inc.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/12/2022

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

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

<b>PRODUCER</b> Kinney Pike Insurance a One Digital Company 1011 North Main Street, Suite 4 White River Junction, VT 05001	<b>CONTACT NAME</b> PHONE (A/C, No, Ext) (802) 775-2311      FAX (A/C, No) (802) 295-7701 E-MAIL ADDRESS ADDRESS INSURER(S) AFFORDING COVERAGE NAIC #
<b>INSURED</b>  Mount Prospect Academy Inc PO Box 325 Orford, NH 03777-0325	INSURER A Philadelphia Indemn Insurance      18058 INSURER B INSURER C INSURER D INSURER E INSURER F

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			PHPK2363912	1/1/2022	1/1/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COM/PROP AGG \$ 3,000,000 ABUSIVE CONDUCT \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N    N/A If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE    OTHER E.L. EACH ACC DENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Property			PHPK2363912	1/1/2022	1/1/2023	Ded \$ 2,500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  State of New Hampshire Department of Health and Human Services 129 Pleasant Street Concord, NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/3/2023

10/14/2022

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

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

<b>PRODUCER</b> Lockton Companies 1185 Avenue of the Americas, Suite 2010 New York NY 10036 646-572-7300	<b>CONTACT NAME:</b> PHONE (A.C. No. Ext): _____ FAX (A.C. No.): _____ E-MAIL ADDRESS: _____ <b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Maine Employers' Mutual Insurance Co <span style="float: right;"><b>NAIC #</b> 11149</span> <b>INSURER B:</b> _____ <b>INSURER C:</b> _____ <b>INSURER D:</b> _____ <b>INSURER E:</b> _____ <b>INSURER F:</b> _____
<b>INSURED</b> 1504364 Mount Prospect Academy Inc P.O. Box 328 Plymouth NH 03264	

**COVERAGES** **CERTIFICATE NUMBER: 19036369** **REVISION NUMBER: XXXXXXXX**

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

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBROGATION	WARRANTY	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER: _____			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX DAMAGE TO RENTED PREMISES (Ea occurrence) \$ XXXXXXXX MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ XXXXXXXX GENERAL AGGREGATE \$ XXXXXXXX PRODUCTS - COMP/OP AGG \$ XXXXXXXX \$ _____
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			NOT APPLICABLE			COMBINED SINGLE LIMIT (Ea accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ _____
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$ _____
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	5101800528	7/3/2022	7/3/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ \$500,000 E.L. DISEASE - EA EMPLOYEE \$ \$500,000 E.L. DISEASE - POLICY LIMIT \$ \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER**

19036369  
 State of NH  
 Department of Health and Human Services  
 129 Pleasant Street  
 Concord NH 03301-3857

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



**MOUNT PROSPECT,  
ACADEMY**

*Client-Centered Continuum of Care*

**MISSION STATEMENT**

The mission of Mount Prospect Academy is to provide a caring safe therapeutic environment where students have the opportunity to grow and acquire the skills they need to reach their educational and social potential. We aim to develop trusting relationships with students and facilitate experiences that promote their ability to self-regulate; manage thoughts and feelings; and develop feelings of safety, confidence, and competency.

To this end, Mount Prospect Academy provides a trauma informed continuum of care inclusive of Enhanced Residential Treatment, Crisis Stabilization, Comprehensive Assessment and Short-term Treatment, Subacute Programming, Academic programming, Adventure Based Programming and Community-based Programming throughout New Hampshire, Massachusetts, Vermont and Maine. We offer accredited academic day programs serving students 220 days a year through differentiated instruction and engaging extended learning opportunities. Our intensive residential and subacute programs operate year-round and provide substantive support for families and caregivers. MPA currently serves approximately 190 intensive residential students, whose ages range from 11-21 and over 500 community-based families annually.



**CONSOLIDATED FINANCIAL STATEMENTS**

and

**SUPPLEMENTARY INFORMATION**

**June 30, 2021**

**With Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

Boards of Trustees  
Becket Academy, Inc. and Affiliates

We have audited the accompanying consolidated financial statements of Becket Academy, Inc. and Affiliates (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Boards of Trustees  
Becket Academy, Inc. and Affiliates  
Page 2

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Becket Academy, Inc. and Affiliates as of June 30, 2021, and the consolidated changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

## Other Matters

### *Changes in Accounting Principles*

As discussed in Note 1 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and related guidance, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules and Schedule of Private Non-Medical Institution (PNMI) Revenue and Expenses are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
November 30, 2021

**BECKET ACADEMY, INC. AND AFFILIATES****Consolidated Statement of Financial Position****June 30, 2021****ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 28,564,495
Tuition and fees receivable, net	11,306,219
Prepaid expenses	<u>469,994</u>
<b>Total current assets</b>	<b><u>40,340,708</u></b>
<b>Property and equipment</b>	
Land and land improvements	5,109,439
Buildings and building improvements	30,989,141
Leasehold improvements	3,378,657
Vehicles and equipment	5,368,796
Furniture and fixtures	2,490,741
Construction-in-progress	<u>475,812</u>
	47,812,586
Less accumulated depreciation	<u>16,326,444</u>
<b>Property and equipment, net</b>	<b><u>31,486,142</u></b>
<b>Other assets</b>	
Other long-term asset	365,732
Replacement reserves	<u>6,829</u>
<b>Total assets</b>	<b><u>\$ 72,199,411</u></b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Current portion of long-term debt	\$ 1,166,717
Accounts payable	1,521,978
Accrued expenses	7,546,060
Prepaid tuition	299,406
COVID funding advances	<u>678,697</u>
<b>Total current liabilities</b>	<b>11,212,858</b>
Long-term debt, net of current portion and unamortized deferred costs	<u>16,786,773</u>
<b>Total liabilities</b>	<b>27,999,631</b>
Net assets without donor restrictions	<u>44,199,780</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 72,199,411</u></b>

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

**BECKET ACADEMY, INC. AND AFFILIATES****Consolidated Statement of Activities****Year Ended June 30, 2021**

<b>Changes in net assets without donor restrictions</b>	
<b>Revenue and support</b>	
Tuition, fees and other support, net	\$105,720,911
State nutrition program	155,156
Contributions	276,274
Cares Act Funding	10,097,975
Other revenue	<u>741,648</u>
<b>Total revenue and support</b>	<b><u>116,991,964</u></b>
<b>Expenses</b>	
<b>Program expenses</b>	
Education and home life	84,082,529
<b>Supporting expenses</b>	
General administration	<u>16,974,205</u>
<b>Total expenses</b>	<b><u>101,056,734</u></b>
<b>Total change in net assets</b>	<b>15,935,230</b>
<b>Net assets, beginning of year</b>	<b><u>28,264,550</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 44,199,780</u></b>

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

**BECKET ACADEMY, INC. AND AFFILIATES****Consolidated Statement of Cash Flows****Year Ended June 30, 2021**

Cash flows from operating activities	
Change in net assets	\$ 15,935,230
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	3,230,397
Change in allowance for doubtful accounts	290,000
Decrease (increase) in	
Tuition and fees receivable, net	1,505,841
Prepaid expenses	(156,552)
Increase (decrease) in	
Accounts payable	197,741
Accrued expenses	2,230,898
Prepaid tuition	72,723
COVID funding advances	(5,502,136)
Net cash provided by operating activities	<u>17,804,142</u>
Cash flows from and used by investing activities	
Purchase of property and equipment	<u>(2,669,922)</u>
Cash flows from financing activities	
Repayments on line of credit	(496,247)
Proceeds from long-term borrowings	282,000
Principal payments on long-term borrowings	(3,491,879)
Payment of deferred financing costs	<u>(36,996)</u>
Net cash used by financing activities	<u>(3,733,122)</u>
Net increase in cash, cash equivalents and restricted cash	11,401,088
Cash, cash equivalents and restricted cash, beginning of year	<u>17,170,226</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 28,571,324</u>
Breakdown of cash, cash equivalents and restricted cash, end of year	
Cash and cash equivalents	\$ 28,564,495
Replacement reserves	<u>6,829</u>
	<u>\$ 28,571,324</u>
<u>Supplemental disclosures</u>	
Noncash investing and financing transactions	
Acquisition of property and equipment with issuance of long-term debt to seller's financing company	<u>\$ 1,031,500</u>

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



## BECKET ACADEMY, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021

#### **Nature of Business**

Becket Academy, Inc. and Affiliates (the Organization) provides community-based and residential treatment and education services to children, adolescents and adults through various schools and programs. The programs provided jointly market themselves as the Becket Family of Services with the exception of Mountain Valley Treatment Center (MVTC).

Becket Academy, Inc. (Becket) is a not-for-profit corporation incorporated under provisions of the laws of the State of Maine with residential programs at locations in Belgrade, Lewiston, Auburn and Litchfield, Maine. Becket operates two region based special purpose schools to serve the residents at the programs and community students in need of specialized academic services. Becket also operates adult group homes in Massachusetts and New Hampshire.

Becket's group homes in New Hampshire are operated through Next Steps Community Services, LLC ("Next Steps"). Becket is the sole member of Next Steps and it is considered a "disregarded" entity for federal tax purposes. In addition to the services noted above, Becket provides adult foster care (also called Shared Living) in several states, including South Carolina, Rhode Island, New Hampshire, Massachusetts and Maine. Children's foster care services are also provided in New Hampshire and Florida.

MVTC is a not-for-profit corporation incorporated under provisions of the laws of the State of Maine. MVTC is currently governed by a Board of Trustees that substantially overlaps the Becket Board of Trustees. MVTC provides residential treatment for adolescents struggling with anxiety disorders at a location in Plainfield, New Hampshire.

Mount Prospect Academy, Inc. (MPA) is a not-for-profit corporation incorporated under provisions of the General Statutes of the State of New Hampshire. MPA has a self-perpetuating Board of Trustees completely separate from the Board which governs Becket. MPA is licensed by the State of New Hampshire and operates special education schools in Keene, Plymouth and Hampton, New Hampshire with several affiliated group homes in Haverhill, Rumney, Warren, Plymouth, Hampton and Campton, New Hampshire. MPA also provides comprehensive in-home and community support services to families in New Hampshire and northeastern Massachusetts under the name Project Connect and Solid Foundations.

Vermont Permanency Initiative, Inc. (VPI) is a not-for-profit corporation incorporated under provisions of the General Statutes of the State of Vermont. VPI operates the New England School for Girls and Vermont School for Girls, a residential treatment program for girls operated in Bennington, Vermont. VPI also offers community based-support to youth and families in Vermont under the trade name Vermont Support & Stabilization. VPI has a self-perpetuating Board of Trustees that is completely separate from the Board which governs Becket, MPA and MVTC.

U.S. generally accepted accounting principles (U.S. GAAP) require consolidation of related organizations when common control and economic dependency exists. At June 30, 2021, common control exists between Becket and MVTC, and between MPA and VPI; however, common control did not exist across all entities. Despite the division of control among these various entities, economic dependency remains. As such, consolidation of all entities in 2021 is allowed, but not required, and elected by management

**BECKET ACADEMY, INC. AND AFFILIATES**

**Notes to Consolidated Financial Statements**

**June 30, 2021**

**1. Summary of Significant Accounting Policies**

**Principles of Consolidation**

The consolidated financial statements include the activity of Becket, Next Steps, MPA, MVTC and VPI. All material intercompany transactions and balances have been eliminated in consolidation.

**Basis of Presentation**

The accompanying consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. The Organization reports its activities and net assets in two classes: net assets without donor restrictions and net assets with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of temporary restrictions on net assets (that is, situations in which the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization had no net assets with donor restrictions as of June 30, 2021.

**Use of Estimates**

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

**Cash and Cash Equivalents**

All highly liquid investments without donor restrictions and with an original maturity of three months or less are considered to be cash equivalents.

The Organization maintains its cash and certificates of deposit in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant risk with respect to these accounts.

**Tuition and Fees Receivable**

Tuition and fees receivable are stated at the amount the Organization expects to collect from outstanding balances, net of financial assistance discounts of \$185,628 in 2021. As of June 30, 2021 and 2020, the Organization had \$11,306,219 and \$13,102,060, respectively, of tuition and fees receivable, net.

**BECKET ACADEMY, INC. AND AFFILIATES**

**Notes to Consolidated Financial Statements**

**June 30, 2021**

The Organization provides for probable uncollectible amounts through a charge to current-year earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**Property and Equipment**

Property and equipment are stated at cost or, if donated, at the fair market value at the date of donation. Expenditures for repairs and maintenance are expensed when incurred, and betterments and assets purchased in excess of \$1,000 are considered for capitalization.

Depreciation of property and equipment is charged against operations using the straight-line method over the estimated useful lives of these assets, as follows:

	<u>Years</u>
Land improvements	7 - 10
Buildings and building improvements	7 - 30
Leasehold improvements	5 - 25
Vehicles and equipment	3 - 5
Furniture and fixtures	2 - 15

When assets are sold or disposed of, the related cost and accumulated depreciation and amortization are removed from the respective accounts, and any resulting gain or loss is included in the consolidated statement of activities.

Construction-in-progress is made up of leasehold improvements which are not placed in service as of June 30, 2021. There are no significant commitments as of June 30, 2021.

**Replacement Reserves**

Becket has a mortgage note payable to Maine State Housing Authority (MSHA). This mortgage note requires Becket to maintain a replacement reserve fund in a separate account for the purpose of providing a cash reserve for future property replacement needs. This restricted amount is classified as "replacement reserves" in the consolidated statement of financial position and is generally not available for routine operating expenses.

**Deferred Costs**

Certain costs related to long-term debt, such as accountants, attorneys and underwriting fees, are capitalized and amortized on a straight-line basis over the lives of the respective debt issues. As of June 30, 2021, the Organization had \$331,823 in unamortized deferred costs presented as a direct deduction from the carrying amount of the related long-term debt. In addition, the amortization of the unamortized deferred costs is included with interest expense.

**BECKET ACADEMY, INC. AND AFFILIATES**

**Notes to Consolidated Financial Statements**

**June 30, 2021**

**Tuition, Fees and Other Changes in Net Assets**

During the year ended June 30, 2021 the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and related ASUs which provide guidance for revenue recognition that superseded the revenue recognition requirements in Accounting Standards Codification Topic 605, *Revenue Recognition*, and most industry specific guidance. The Organization's adoption of the ASU did not have an impact on the Organization's revenue recognition policies or application thereof, which are as follows:

Tuition, fees and other support are recorded as increases in net assets without donor restrictions at the time the services are provided. Tuition revenue is billed monthly based on monthly attendance and is due within 30 days. In some circumstances, tuition revenues are received prior to the school year and are recorded as a current liability under prepaid tuition.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of temporary restrictions, if any, on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

Additionally, the Organization has contractual arrangements with the Maine Department of Health and Human Services (DHHS) to render services to qualifying residents under certain cost-based and fee-for-service reimbursement programs which may result in the Organization receiving payments for such services which differ from the standard charges. The Organization records its revenue at the net amount expected to be paid by DHHS based upon established rates at the time the service is provided.

**Income Taxes**

The entities comprising the Organization are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code), whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax.

**Allocation of Costs**

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated proportionally based on payroll among the programs and supporting services benefited.

**Advertising**

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense totaled \$492,882 in 2021.

**BECKET ACADEMY, INC. AND AFFILIATES**  
**Notes to Consolidated Financial Statements**

**June 30, 2021**

**2. Availability and Liquidity of Financial Assets**

As of June 30, 2021, the Organization had working capital of \$29,127,850 and average days (based on normal expenditures)-cash and cash equivalents on hand of 107.

Financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and scheduled principal payments on debt, were as follows as of June 30:

Cash and cash equivalents	\$28,564,495
Tuition and fees receivable, net	<u>11,306,219</u>
 Financial assets available at year end for current use	 <u>\$39,870,714</u>

The Organization also has lines of credit available to meet short-term needs. See Note 4 for information about these arrangements.

The goal for the Organization is to maintain a balanced budget while meeting the requirements of the various financing authorities.

**3. Significant Concentrations**

Approximately 19% of the revenue recorded during 2021 was from beneficiaries of the New Hampshire Medicaid program.

Approximately 22% of the revenue recorded during 2021 was from the Vermont Department of Education and various school districts located in Maine, New Hampshire, Vermont, Massachusetts, New York and Connecticut.

Approximately 15% of the revenue recorded during 2021 was from the Massachusetts Department of Mental Health and Developmental Services.

Approximately 14% of the revenue recorded during 2021 was from beneficiaries of the Maine Medicaid (MaineCare) program. Under all but one Becket program that is cost reimbursed, but currently has no MaineCare residents; the Organization is reimbursed for the care of qualified residents at specified fee for service rates during the year. The rates are established by the MaineCare program and the programs must still follow the Principles of Reimbursement (the Principles) governing the respective programs.

Due to the concentration of clients who receive benefits from the various state Medicaid reimbursement programs, the Organization is highly dependent upon regulatory authorities establishing reimbursement rates that are adequate to sustain the Organization's operations.

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements**

June 30, 2021

**4. Lines of Credit**

Becket holds a line of credit agreement with Berkshire Bank under which Berkshire Bank agrees to advance up to \$250,000 to Becket upon request. Monies advanced accrue interest at the rate of *The Wall Street Journal's* prime rate plus 0.5% (3.75% as of June 30, 2020). The line of credit is collateralized by a security interest in all assets of Becket. The Organization had no outstanding balance on the line of credit at June 30, 2021.

VPI holds a line of credit agreement with Passumpsic Savings Bank under which Passumpsic Savings Bank agrees to advance up to \$250,000 to VPI upon request. Monies advanced accrue interest at the rate of 5%. The Organization had no outstanding balance on the line of credit at June 30, 2021. The line of credit is collateralized by various real estate in Bennington and Newbury, Vermont.

**5. Long-Term Debt**

Long-term debt consists of the following:

**Becket Academy, Inc.**

Note payable to TD Bank, due in monthly installments of \$1,692, including interest at 5.48%, through December 2030; collateralized by real estate in Conway, New Hampshire.	\$ 228,237
Note payable to MSHA, due in monthly installments of \$2,661, including interest at 7.0%, through April 2032; collateralized by land, buildings and equipment in Litchfield, Maine.	235,421
Note payable to MSHA, due in monthly installments of \$1,830, including interest at 7.0%, through October 2029; collateralized by real estate in Lewiston, Maine.	139,005
Note payable to MSHA, due in monthly installments of \$1,830, including interest at 5.5%, through December 2030; collateralized by real estate in Lewiston, Maine.	68,803
Note payable to Berkshire Bank, due in monthly installments of \$36,336, including interest at LIBOR plus 2.50% (2.67% at June 30, 2020), through July 2025, at which time the remaining balance is due in full; collateralized by real estate in New Hampshire, Maine, and Massachusetts.	5,584,533
Note payable to Berkshire Bank, due in monthly installments of \$6,477, including interest at the adjusted LIBOR rate plus 2.50% (2.67% as of June 30, 2020), through January 2025, at which time the remaining balance is due in full; collateralized by real estate in New Hampshire, Maine, and Massachusetts.	881,005

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Capital lease, due in monthly installments of \$3,805, including interest at 5.0%, through June 2037. 505,000

Construction note payable to Berkshire Bank, advance of up to \$2,000,000 upon request, monthly interest only payments through December 2018 at *The Wall Street Journal's* prime rate plus 0.5%, principal and interest payments commenced on January 2019, including interest at the adjusted LIBOR rate plus 2.5% (2.67% as of June 30, 2020), through January 2025, at which time the remaining balance is due in full; collateralized by real estate in New Hampshire, Maine and Massachusetts. 1,821,886

Various vehicle notes payable to financial institutions, due in monthly installments, including interest, ranging from \$382 to \$868, totaling \$20,566. Interest rates range from 0% to 9.50%. Maturities range from July 2021 through July 2025. The notes are collateralized by vehicles. 301,922

Total Becket Academy, Inc. 9,765,812

**Mount Prospect Academy, Inc.**

Note payable to Passumpsic Savings Bank, due in monthly installments of \$6,737, including interest at 4.25%, through February 2024 at which point monthly payments will increase to \$7,300, including interest at *The Wall Street Journal's* prime rate plus 1% (4.25% at June 30, 2021), through February 2039, at which time the remaining balance is due in full; collateralized by real estate in Campton, Rumney, and Plymouth, New Hampshire. 925,004

Note payable to Passumpsic Savings Bank, due in monthly installments of \$8,374, including interest at 4.25%, through February 2024 at which point monthly payments will increase to \$9,074, including interest at *The Wall Street Journal's* prime rate plus 1% (4.25% at June 30, 2021), through February 2039, at which time the remaining balance is due in full; collateralized by real estate in Campton, Rumney, and Plymouth, New Hampshire. 1,149,689

Note payable to Passumpsic Savings Bank, due in monthly installments of \$9,574, including interest at 4.25%, through February 2024 at which point monthly payments will increase to \$10,374, including interest at *The Wall Street Journal's* prime rate plus 1% (4.25% at June 30, 2021), through February 2039, at which time the remaining balance is due in full; collateralized by real estate in Campton, Rumney, and Plymouth, New Hampshire. 1,314,439

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Note payable to Passumpsic Savings Bank, due in monthly installments of \$2,220 beginning February 1, 2020 with an interest rate of 4.875% through February 2025 at which point interest will be based at <i>The Wall Street Journal's</i> prime rate plus 1%, through January 1, 2040, when the remaining balance is due in full. The note is collateralized by all business assets associated with the Rumney, New Hampshire program.	323,894
Note payable to Passumpsic Savings Bank, due in monthly installments of \$1,646 beginning February 1, 2020 with an interest rate of 4.875% through February 2025 at which point monthly payments will increase to \$1,742 at an interest rate at <i>The Wall Street Journal's</i> prime rate plus 1%, through January 1, 2040 when the remaining balance is due in full. The note is collateralized by all business assets associated with the Warren, New Hampshire program.	240,040
Note payable to Passumpsic Savings Bank, due in monthly installments of \$4,359 beginning February 1, 2021 with an interest rate of 3.99% through February 2026 at which point monthly payments will increase to \$4,663 at an interest rate at <i>The Wall Street Journal's</i> prime rate plus 1%, through January 1, 2041 when the remaining balance is due in full. The note is collateralized by all business assets associated with the Plymouth, New Hampshire program.	707,996
Various vehicle and equipment notes payable to financial institutions, payable in monthly installments, including interest, ranging from \$298 to \$753, totaling \$23,726. Interest rates range from 0% to 7.99%. Maturities range from July 2021 through May 2027. The notes are collateralized by vehicles and equipment.	<u>569,328</u>
Total Mount Prospect Academy, Inc.	<u>5,230,390</u>
<b>Mountain Valley Treatment Center</b>	
Various vehicle and equipment notes payable to financial institutions, payable in monthly installments, including interest, ranging from \$369 to \$766, totaling \$6,140. Interest rates range from 0% to 5.74%. Maturities range from July 2021 through August 2024. The notes are collateralized by vehicles and equipment.	<u>57,084</u>
<b>Vermont Permanency Initiative, Inc.</b>	
Construction note payable to Passumpsic Savings Bank, advance of up to \$1,905,000, due in monthly installments of \$12,572, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	1,687,996



**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Note payable to Passumpsic Savings Bank, due in monthly installments of \$6,001, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	817,686
Construction note payable to Passumpsic Savings Bank, advance of up to \$540,000, due in monthly installments of \$3,564, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	110,286
Note payable to Passumpsic Savings Bank, due in monthly installments of \$2,203, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	300,116
Note payable to Passumpsic Savings Bank, due in monthly installments of \$659, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	89,855
Various vehicle and equipment notes payable to financial institutions, payable in monthly installments, including interest, ranging from \$303 to \$733, totaling \$18,978. Interest rates range from 0% to 6.39%. Maturities range from November 2020 through June 2025. The notes are collateralized by vehicles and equipment.	<u>226,088</u>
Total Vermont Permanency Initiative, Inc.	<u>3,232,027</u>
	18,285,313
Less: Current portion	1,166,717
Unamortized deferred costs	<u>331,823</u>
Long-term debt, net of current portion and unamortized deferred costs	<u>\$ 16,786,773</u>

Maturities of long-term debt are as follows:

2022	\$ 1,166,717
2023	1,096,000
2024	902,000
2025	2,289,000
2026	6,009,000
Thereafter	<u>6,822,596</u>
	<u>\$ 18,285,313</u>

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Interest expense charged to operations, including amortization of deferred costs of \$20,847, was \$972,462 in 2021. Cash paid for interest approximates interest expense.

**6. Commitments and Contingencies****Operating Leases**

The Organization leases facilities from various parties, including related parties. All related party leases are at or below fair market value as determined by independent licensed appraisers. Certain facilities used for the operations of the Organization are owned and maintained by entities, trusts or individuals related to senior management of the Organization. Total rent for all leases was \$1,293,132 in 2021. Total rent paid to related parties was \$277,000 in 2021.

Future minimum lease payments for all non-cancelable leases having a lease term in excess of one year are as follows:

2022	\$	304,366
2023		179,259
2024		123,570
2025		97,048
2026		<u>58,152</u>
Total	\$	<u>762,395</u>

**Self-Insurance**

The Organization has a self-insured healthcare plan for substantially all of its employees. The Organization has obtained reinsurance coverage to limit its exposure associated with this plan individually of \$125,000 with an aggregate limit of \$7,635,858 of the expected claims. At June 30, 2021, the Organization has accrued \$932,012 under the self-insurance contract, for estimated unpaid claims, which is reported in the Organization's accrued expenses in the consolidated statement of financial position.

**Litigation**

The Organization is currently involved in other known litigation matters arising in the normal course of business. After consultation with legal counsel, management estimates these litigation matters, to be resolved without a material adverse effect on the Organization's future positions or results of operations.

**7. Defined Contribution Retirement Plans**

The Organization provides defined contribution retirement plans for eligible employees. All employees aged 21 or older may begin participation in the plans. Years of service requirements range from one to two years depending on the entity. Plan contributions by participants and the Organization range from three percent to 5% of regular salary.

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Employer contributions to the plans were as follows in 2021:

Becket	\$	354,705
MPA		326,869
MVTC		39,770
VPI		<u>132,268</u>
<b>Total</b>	<b>\$</b>	<b><u>853,612</u></b>

**8. Service Provider Tax**

The Maine Legislature enacted legislation that repealed the sales tax on certain kinds of services and replaced it with a new Service Provider Tax (SPT). This law imposes a 6% SPT on the "value" (i.e., sales price) of certain services provided in the State, including Private Non-Medical Institutions services and certain clinical and outpatient services. Providers are taxed based on all revenue, regardless of source, received for the purpose of providing food, shelter and treatment. MaineCare is then reimbursing facilities for their portion of the tax by increasing their direct care per diem rate. The portion of the tax paid on revenue generated from private pay residents will not be funded by MaineCare.

Total SPT expense was \$506,956 in 2021.

**9. Functional Expenses**

The costs of providing the programs are summarized on a functional basis as follows for the year ended June 30, 2021:

	<u>Education and Home Life</u>	<u>General Administration</u>	<u>Total</u>
Salaries and wages	\$ 47,010,306	\$ 9,463,322	\$ 56,473,628
Employee benefits	6,888,469	1,479,273	8,367,742
Payroll taxes	4,053,906	815,945	4,869,851
Transportation and travel	837,924	170,357	1,008,281
Professional services	1,424,429	444,853	1,869,282
Provider stipends	7,964,723	-	7,964,723
Supplies	4,033,537	1,059,088	5,092,625
Utilities	1,230,948	374,676	1,605,624
Depreciation	2,498,035	711,515	3,209,550
Interest	744,234	228,228	972,462
Insurance	758,826	233,986	992,812
Rental and repairs expense	2,323,315	824,732	3,148,047
Other	<u>4,313,877</u>	<u>1,168,230</u>	<u>5,482,107</u>
<b>Total</b>	<b>\$ <u>84,082,529</u></b>	<b>\$ <u>16,974,205</u></b>	<b>\$ <u>101,056,734</u></b>

## BECKET ACADEMY, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021

#### 10. Surplus Revenue Retention

The Organization is allowed to retain a portion of any surplus generated by its contracts with the Commonwealth of Massachusetts. During 2016, the Commonwealth of Massachusetts Operational Services Division amended the surplus revenue retention by eliminating the 20% cumulative limits on surplus revenue retention and increasing the annual surplus limit from 5% of current-year contract revenue to 20%. As of June 30, 2021, as a result of the amendment, the Organization did not identify a contingent liability based on the 20% contractor annual surplus revenue retention criteria.

#### 11. COVID-19

On March 11, 2020, the World Health Organization declared coronavirus disease (COVID-19) a global pandemic. Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement. The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 provides several relief measures to allow flexibility to providers to deliver critical care. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

The U.S. government has responded with several phases of relief legislation as a response to the COVID-19 outbreak. Legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a statute to address the economic impact of the COVID-19 outbreak.

During 2020, the Organization obtained \$6,180,833 under the CARES Act Paycheck Protection Program (PPP). The PPP has specific criteria for eligibility and provides for forgiveness of the funds under this program if the Organization meets certain requirements. During 2021, the Organization received notice from the Small Business Administration (SBA) that full amount of the PPP funds received during 2020 were forgiven. The revenue is included in CARES Act Funding in the statement of activities during the year ended June 30, 2021. The SBA will have the right to audit the Organization's compliance with the PPP for a period of up to six years. Management believes full compliance was met. If any portion of the proceeds received is not forgiven through an SBA audit, it is to be repaid, including interest at 1% and that change in estimate will be accounted for at that time.

During 2021, the Organization obtained an additional \$678,697 under the PPP. Any portion of the funds that are not forgiven is to be repaid within 2 years at a 1% interest rate. As of June 30, 2021, the Organization is reporting the PPP funds as COVID funding advances in the consolidated statement of financial position.

## BECKET ACADEMY, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021

During 2020, the Organization obtained \$1,650,000 under the CARES Act EIDL program. During 2021, the Organization paid back all funds received.

The Organization has received emergency grant funding under the CARES Act from the Centers for Medicare & Medicaid Services and passed through States and Area Agencies totaling \$1,481,403 to offset COVID-related cost. The revenue is included in Cares Act Funding in the consolidated statement of activities during the year ended June 30, 2021.

The Organization has also received emergency grant funding under the CARES Act from the DHHS totaling \$852,715 to offset COVID-related cost. The revenue is included in Cares Act Funding in the consolidated statement of activities during the year ended June 30, 2021.

The Organization has also received emergency grant funding under the CARES Act and other COVID-19 funding from various states in which the Organization operates totaling \$1,583,024 to offset COVID-related cost. The revenue is included in Cares Act Funding in the consolidated statement of activities during the year ended June 30, 2021.

While management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

#### 12. Subsequent Events

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, management has considered transactions or events occurring through November 30, 2021, which is the date that the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**BECKET ACADEMY, INC. AND AFFILIATES**  
**Consolidating Statement of Financial Position**

June 30, 2021

**ASSETS**

	<u>Becket Academy, Inc.</u>	<u>Mount Prospect Academy, Inc.</u>	<u>Next Steps Community Services</u>	<u>Mountain Valley Treatment Center</u>	<u>Vermont Permanency Initiative</u>	<u>Intercompany Eliminations</u>	<u>Consolidated Total</u>
<b>Current assets</b>							
Cash and cash equivalents	\$ 11,114,132	\$ 9,694,655	\$ 229,478	\$ 3,698,661	\$ 3,827,569	\$ -	\$ 28,564,495
Tuition and fees receivable, net	4,390,029	4,654,637	546,227	-	1,783,384	(68,058)	11,306,219
Current portion of note receivable	202,481	-	-	-	-	(202,481)	-
Prepaid expenses	<u>244,554</u>	<u>129,035</u>	<u>14,003</u>	<u>31,384</u>	<u>51,018</u>	<u>-</u>	<u>469,994</u>
<b>Total current assets</b>	<u>15,951,196</u>	<u>14,478,327</u>	<u>789,708</u>	<u>3,730,045</u>	<u>5,661,971</u>	<u>(270,539)</u>	<u>40,340,708</u>
<b>Property and equipment</b>							
Land and land improvements	2,144,376	1,687,857	57,574	178,681	1,040,951	-	5,109,439
Buildings and building improvements	14,332,232	10,529,812	324,428	318,539	5,484,130	-	30,989,141
Leasehold improvements	918,837	2,404,305	18,905	-	36,610	-	3,378,657
Vehicles and equipment	1,526,394	1,914,940	367,409	480,589	1,079,464	-	5,368,796
Furniture and fixtures	1,324,922	758,335	50,961	216,261	140,262	-	2,490,741
Construction-in-progress	<u>190,775</u>	<u>169,352</u>	<u>-</u>	<u>6,756</u>	<u>108,929</u>	<u>-</u>	<u>475,812</u>
	20,437,536	17,464,601	819,277	1,200,826	7,890,346	-	47,812,586
Less accumulated depreciation	<u>5,909,825</u>	<u>6,911,877</u>	<u>452,139</u>	<u>654,988</u>	<u>2,397,617</u>	<u>-</u>	<u>16,326,444</u>
<b>Property and equipment, net</b>	<u>14,527,711</u>	<u>10,552,724</u>	<u>367,138</u>	<u>545,840</u>	<u>5,492,729</u>	<u>-</u>	<u>31,486,142</u>
<b>Other assets</b>							
Other long-term asset	365,732	-	-	-	-	-	365,732
Replacement reserves	6,829	-	-	-	-	-	6,829
Note receivable, net of current portion	871,522	-	-	-	-	(871,522)	-
Due from related parties	<u>2,062,364</u>	<u>-</u>	<u>-</u>	<u>72,748</u>	<u>-</u>	<u>(2,135,112)</u>	<u>-</u>
<b>Total other assets</b>	<u>3,306,447</u>	<u>-</u>	<u>-</u>	<u>72,748</u>	<u>-</u>	<u>(3,006,634)</u>	<u>372,561</u>
<b>Total assets</b>	<u>\$ 33,785,354</u>	<u>\$ 25,031,051</u>	<u>\$ 1,156,846</u>	<u>\$ 4,348,633</u>	<u>\$ 11,154,700</u>	<u>\$ (3,277,173)</u>	<u>\$ 72,199,411</u>

## BECKET ACADEMY, INC. AND AFFILIATES

## Consolidating Statement of Financial Position (Concluded)

June 30, 2021

## LIABILITIES AND NET ASSETS

	Becket Academy, Inc.	Mount Prospect Academy, Inc.	Next Steps Community Services	Mountain Valley Treatment Center	Vermont Permanency Initiative	Intercompany Eliminations	Consolidated Total
<b>Current liabilities</b>							
Current portion of long-term debt	\$ 485,000	\$ 362,000	\$ 136,198	\$ 95,000	\$ 291,000	\$ (202,481)	\$ 1,166,717
Accounts payable	950,023	352,440	31,112	64,419	192,042	(68,058)	1,521,978
Accrued expenses	2,942,586	3,126,225	-	339,329	1,137,920	-	7,546,060
Prepaid tuition	-	-	-	299,406	-	-	299,406
Refundable advances	-	-	-	678,697	-	-	678,697
<b>Total current liabilities</b>	<b>4,377,609</b>	<b>3,840,665</b>	<b>167,310</b>	<b>1,476,851</b>	<b>1,620,962</b>	<b>(270,539)</b>	<b>11,212,858</b>
<b>Long-term liabilities</b>							
Long-term debt, net of current portion and unamortized deferred costs	9,110,747	4,783,989	220,209	676,185	2,867,165	(871,522)	16,786,773
Due to related parties	-	1,267,610	608,904	-	258,598	(2,135,112)	-
<b>Total long-term liabilities</b>	<b>9,110,747</b>	<b>6,051,599</b>	<b>829,113</b>	<b>676,185</b>	<b>3,125,763</b>	<b>(3,006,634)</b>	<b>16,786,773</b>
<b>Total liabilities</b>	<b>13,488,356</b>	<b>9,892,264</b>	<b>996,423</b>	<b>2,153,036</b>	<b>4,746,725</b>	<b>(3,277,173)</b>	<b>27,999,631</b>
<b>Net assets without donor restrictions</b>	<b>20,296,998</b>	<b>15,138,787</b>	<b>160,423</b>	<b>2,195,597</b>	<b>6,407,975</b>	<b>-</b>	<b>44,199,780</b>
<b>Total liabilities and net assets</b>	<b>\$ 33,785,354</b>	<b>\$ 25,031,051</b>	<b>\$ 1,156,846</b>	<b>\$ 4,348,633</b>	<b>\$ 11,154,700</b>	<b>\$ (3,277,173)</b>	<b>\$ 72,199,411</b>



## BECKET ACADEMY, INC. AND AFFILIATES

## Consolidating Statement of Activities

Year Ended June 30, 2021

	Becket Academy, Inc.	Mount Prospect Academy, Inc.	Next Steps Community Services	Mountain Valley Treatment Center	Vermont Permanency Initiative	Intercompany Eliminations	Consolidated Total
Changes in net assets without donor restrictions							
Revenue and support							
Tuition, fees and other support, net	\$ 47,046,359	\$ 35,807,506	\$ 3,194,672	\$ 5,694,167	\$ 13,978,207	\$ -	\$ 105,720,911
State nutrition program	25,984	129,192	-	-	-	-	155,156
Management fees	1,755,324	-	-	-	-	(1,755,324)	-
Contributions	1,000	97,491	-	177,777	6	-	276,274
Cares Act Funding	2,032,658	5,222,469	-	597,200	2,245,648	-	10,097,975
Other revenue	689,041	269,666	-	54,350	84,390	(355,799)	741,648
Total revenue and support	<u>51,550,346</u>	<u>41,526,324</u>	<u>3,194,672</u>	<u>6,523,494</u>	<u>16,308,251</u>	<u>(2,111,123)</u>	<u>116,991,964</u>
Expenses							
Program expenses							
Education and home life	41,334,251	28,770,276	2,442,259	3,328,787	10,582,775	(355,799)	84,082,529
Supporting expenses							
General administration	5,457,223	9,259,136	618,796	1,028,357	2,368,017	(1,755,324)	16,974,205
Total expenses	<u>46,791,474</u>	<u>38,029,412</u>	<u>3,061,055</u>	<u>4,357,124</u>	<u>12,928,792</u>	<u>(2,111,123)</u>	<u>101,056,734</u>
Non-operating (expense) revenue							
Forgiveness of intercompany debt	(750,000)	750,000	-	-	-	-	-
Net assets transfer to affiliated organization	(26,806)	208,937	26,806	(208,937)	-	-	-
Net non-operating (expense) revenue	<u>(776,806)</u>	<u>958,937</u>	<u>26,806</u>	<u>(208,937)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	3,982,066	6,455,849	160,423	1,957,433	3,379,459	-	15,935,230
Net assets, beginning of year	<u>16,314,932</u>	<u>8,682,938</u>	<u>-</u>	<u>238,164</u>	<u>3,028,516</u>	<u>-</u>	<u>28,264,550</u>
Net assets, end of year	<u>\$ 20,296,998</u>	<u>\$ 15,138,787</u>	<u>\$ 160,423</u>	<u>\$ 2,195,597</u>	<u>\$ 6,407,975</u>	<u>\$ -</u>	<u>\$ 44,199,780</u>

BECKETT ACADEMY, INC. AND AFFILIATES  
 Consolidating Statement of Functional Expenses  
 Year Ended June 30, 2021

	Education and Home Life					General Administration					Total	Total Expenses		
	Beckett Academy, Inc.	Mount Prospect Beckett, Inc.	Next Steps Community Services	Mountain Valley Treatment Center	Vermont Permanency Initiatives	Beckett Academy, Inc.	Mount Prospect Beckett, Inc.	Next Steps Community Services	Mountain Valley Treatment Center	Vermont Permanency Initiatives				
Salaries and wages	\$ 21,028,834	\$ 18,253,287	\$ 1,482,436	\$ 1,677,857	\$ 4,579,082	\$ 2,347,488	\$ 8,898,488	\$ 283,880	\$ 489,845	\$ 1,348,601	\$ 9,483,732	\$ 88,473,623		
Employee benefits	2,888,944	2,371,728	236,443	171,107	1,077,981	271,778	484,129	51,711	89,813	220,786	1,478,212	14,077,472		
Payroll taxes	1,858,853	1,458,928	158,653	121,853	518,151	253,853	458,157	24,853	39,811	103,473	878,612	8,287,341		
Total personnel costs	25,686,631	20,474,020	1,877,532	1,971,617	6,175,214	2,873,119	14,840,774	360,444	613,469	1,672,860	11,780,540	108,871,811		
Advertising	81,897	159,852	6,915	153,038	22,198	28,856	34,537	1,200	39,728	4,841	108,871	482,882		
Airfare	28,722	203,878	2,845	23,784	38,628	80,857	18,782	2,888	3,785	10,880	173,085	660,478		
Auto repairs and leasing	274,842	187,171	16,557	16,450	83,661	96,857	88,782	2,888	3,785	10,880	173,085	660,478		
Bad debts, net of recoveries	178,885	149,000	-	28,148	18,683	-	-	-	-	-	-	314,445		
Construction	91,817	82,697	-	59,450	18,683	32,275	28,028	-	12,283	3,211	73,818	292,258		
Contracted labor	8,774	6,011	-	730	9,774	2,718	1,898	-	178	236	5,040	20,776		
Dues and subscriptions	117,845	80,980	6,535	28,246	21,583	41,408	1,898	8,385	8,385	4,418	80,786	328,878		
Equipment rental and maintenance	621,181	389,183	88,480	149,557	30,719	218,832	172,348	17,085	36,443	6,287	400,825	1,413,645		
Fees	2,234	2,823	-	4,082	8,200	-	-	-	-	-	-	9,200		
Fuel	478,827	685,101	87,184	82,778	482,078	188,821	215,185	9,818	22,807	88,849	813,887	2,305,133		
Supplies	188,087	86,736	28,025	13,512	64,286	85,738	30,071	4,514	3,272	11,151	114,748	460,843		
Home fax supplies	147,855	178,120	32,507	18,172	39,038	51,981	53,949	8,847	4,413	7,912	125,802	460,843		
Inventory	103,850	88,285	1,701	4,878	31,288	232,258	788,028	-	-	-	223,968	882,218		
Insurance	302,897	276,786	29,184	48,718	88,281	128,647	88,083	4,881	12,118	28,348	223,968	882,218		
Interest	378,282	189,281	19,288	22,811	144,281	150,244	1,082,808	2,074	3,818	28,728	223,968	882,218		
Materials and supplies	24,345	24,821	246	1,541	6,287	6,798	1,898	197,172	575	1,100	18,213	78,842		
Office supplies	488,843	553,788	33,223	111,280	148,844	164,488	173,851	8,783	5,783	30,041	491,288	1,713,254		
Other	1,964,285	85,783	37,241	48,843	27,882	410,849	28,828	8,478	11,253	8,778	461,077	1,628,351		
Other occupancy costs	257,105	185,110	34,468	21,218	78,343	80,574	88,144	8,873	5,178	15,445	178,005	783,348		
Pension contribution	282,201	248,728	-	31,878	108,788	82,404	78,130	7,782	7,782	22,802	200,428	653,812		
Professional services	783,835	110,818	28,382	165,320	101,882	268,828	34,840	8,187	40,284	20,888	371,625	1,545,083		
Proctor expenses	7,884,723	110,818	-	110,818	-	-	-	-	-	-	-	7,884,723		
Rent	183,808	178,783	17,432	41,870	80,280	57,707	88,474	3,024	10,134	18,474	143,823	628,488		
Rent utility losses	123,242	283,282	32,787	67,288	87,888	84,422	88,887	8,884	13,888	17,877	170,050	784,422		
Repair and maintenance	22,887	187,770	8,020	1,889	41,728	540,485	45,087	2,428	1,787	624	72,875	240,485		
Student clothing and personal items	32,205	171,538	6,335	2,478	18,688	225,554	45,087	2,428	1,787	624	72,875	304,513		
Student educational supplies	64,094	143,872	12,889	7,234	3,339	63,254	45,281	2,088	6,282	18,877	152,870	671,144		
Telephone	178,855	144,022	13,023	21,584	81,350	438,874	81,822	2,010	3,433	8,430	178,855	708,855		
Travel	212,234	228,825	12,023	14,887	41,418	54,423	64,778	5,778	3,782	12,482	178,855	688,857		
Utilities	154,488	174,288	11,888	15,281	88,828	118,178	64,778	11,781	28,873	73,873	178,855	711,513		
Depreciation	831,111	879,412	87,812	117,783	493,828	78,878	2,498,823	-	-	-	711,513	3,208,823		
Total	\$ 41,284,831	\$ 28,278,278	\$ 2,442,292	\$ 3,328,782	\$ 10,993,278	\$ 658,789	\$ 84,892,878	\$ 5,457,223	\$ 9,228,128	\$ 818,788	\$ 1,828,332	\$ 2,298,817	\$ 11,758,330	
													\$ 18,874,282	\$ 101,098,124

**BECKET ACADEMY, INC. AND AFFILIATES****Schedule of Private Non-Medical Institution (PNMI) Revenue and Expenses****Year Ended June 30, 2021**

	<u>Vermont School for Girls</u>
<b>Revenue</b>	
Vermont Department of Children & Families	\$ 1,944,495
Vermont Department of Mental Health	802,737
Vermont Department of Education	<u>296,311</u>
Total revenue	<u>3,043,543</u>
<b>Expenses</b>	
Salaries and wages (excluding school salaries)	1,933,571
Employee benefits	484,422
Consulting	15,159
Resident care	24,783
Food service	118,924
Supplies	8,339
Property	175,916
Household	45,977
Client transportation	41,303
General and administrative	180,293
School (including school salaries)	<u>662,311</u>
Total expenses	<u>3,690,998</u>
Excess of expenses over revenue	<u>\$ (647,455)</u>



## Board of Directors

**2022**

Jon Bownes	Plymouth, New Hampshire
Rob Bannon	Plymouth, New Hampshire
Paul Fitzgerald	Campton, New Hampshire
Ben Cronin	Plymouth, New Hampshire
Charles Wheeler	Campton, New Hampshire

### Leadership (not a voting board member)

President: Jeff Caron, M.Ed., C.A.G.S.

Treasurer: John Sears

Secretary: Jeffrey Park

# Jeffrey S. Caron

603-359-5951

## Professional Experience

### President and Executive Director, 2008-Present

Mount Prospect Academy, Plymouth, New Hampshire

- Responsible for admissions and discharge planning for 5 distinct intensive residential programs over northern New Hampshire serving over 250 students annually.
- Design and oversee programs
- Responsible for setting vision and mission
- Development of services to meet the changing needs of youth in the State of New Hampshire
- Curriculum development
- Treatment program development
- Assure compliance with NH-DCYF, NH-DJJS, VT-DCF, MA-DMH, and MA-DCF
- Directly supervise ten director-level employees to ensure a high quality of service

### President, 2014 to Present

Vermont Permanency Initiative, Bennington, Vermont

- Responsible for analyzing entire budget and making steps to make program financially viable
- Working with administration and providing leadership through transition
- Initiate academic leadership and improve academic instruction, programming, administrative advocacy, physical plant improvements
- Oversee and implement new Admission Department
- Implement New Administrative Structure
- Oversee transition i.e., Policy, Human Resources, Clinical, Academic, Residential scheduling, maintenance, etc.
- Assure compliance with VT-DMH, VT-DCF, VT-AOE, NH-DHHS, NH-DMH, MA-DCF, RI-DCF, NY-DCF, ME-DCF
- Directly supervise Executive Directors to ensure a high quality of service
- Develop and maintain high quality of services within the VT's 4+ community Based Services throughout the state of Vermont.

### Executive Director, 2001-2003

Life Centered Learning Institute, Tilton, New Hampshire

- Responsible for day to day operational and functional oversight of the program
- Design and coordinate all academic programming
- Staff development
- Curriculum development
- Framework compliance
- Staff hiring and evaluations

#### Head of Schools, June 2003-2007

The Becket School, Pike, New Hampshire

- Lead administrative position within the Becket School academic department
- Design and coordinate all academic programming
- Staff development
- Curriculum development
- Framework compliance
- Staff hiring and evaluations

#### Head of Schools, June 2001-2003

South Becket Alternative School, Bradford, Vermont

- Coordinated the development of a collaborative alternative educational program
- Member of collaborative board for South Becket School
- Responsible for hiring and supervision of academic staff
- Curriculum development
- Assessment of students regarding appropriate placement

#### Executive Director, 1998-2001

East Haverhill Academy, East Haverhill, New Hampshire

- Responsible for day to day operations and training
- Maintain New Hampshire Facility Licensing and Operational Standards
- Directly manage written criteria for all student admission and discharge
- Directly supervise four department head supervisors
- Responsible for overall performance of over 75 employees
- Oversee and sign all individual treatment plans and court reports
- Coordinate and maintain clinical treatment, special education, medical service for DCYF and NH DOE
- Submitted written request/proposal for Transitional Service Program for the State of Vermont
- Coordinate and maintain clinical treatment, special education, medical service for Vermont DCYF and VT DOE
- Manage annual operating budget of 3.6 million

#### Treatment Coordinator, 1996-1998

The Becket School, Pike, New Hampshire

- Designed and implemented individual Treatment Plans; responsible for 12-18 clients
- Write monthly progress reports for 12-18 clients
- Researched and created the clients six month review

#### Education

Certificate for Advance Graduate Studies, C.A.G.S., 2001  
Curriculum Development and Academic Leadership  
Plymouth State College, Plymouth, New Hampshire

Master of Education, School Principal, 2001  
Plymouth State College, Plymouth, NH

Master of Education, School Counseling 1999  
Plymouth State College, Plymouth, NH

Bachelor of the Arts, 1992  
Plymouth State College, Plymouth, NH  
Major: Psychology

## Relevant Experience

- Recipient of the Educator of the Year Award "Eddy" in 2006 for Academic Leadership and Curriculum Development, by the New Hampshire Department of Education.
- President of the Board, Association for Supervision and Curriculum Development 2007.
- Honored recipient of the 2007 ASCD National Affiliate of the Year Award
- Conference Director of the New Hampshire Association for Supervision and Curriculum Development 2005-2007.
- Representative to the ASCD Board of Directors meeting, San Antonio, Texas
- New Hampshire Private Special Educator Providers Council
- Academic Advisory Board for the Educational Excellence, Plymouth State College
- Team Member, New Hampshire Department of Education and Special Education Program Approval Process
- Certified Instructor for Nonviolent Crisis Intervention
- Member of Massachusetts State-Wide Coalition for Juvenile Fire Setter Programs
- Member of New Hampshire Juvenile Fire Setter Coalition
- Member of Phi Delta Kappa International
- Consultant for Choices in Community Support in Central New Hampshire
- Presenter and Speaker, 1999 Child Welfare League of America Conference, Brooklyn, New York
- Host and Speaker, First Annual Twin State Juvenile Fire Setter Conference

**JOHN R. FULP, M.ED., C.A.G.S.**

**QUALIFICATIONS**

Several years of successful education and experience in Educational and Behavioral Mental Health Leadership.

**AFFILIATIONS and SKILLS**

- Keeping Maine's Children Connected (KMCC)
- Maine Department of Education's Effective Transition Planning Task Force (SPDG)
- Maine Administrators of Service for Children with Disabilities (MADSEC)
- New Hampshire Association of Special Education Administrators (NHASEA)
- Maine Parent Federation, Board Member

Microsoft Suite (including) Excel, Access, Word, PowerPoint, Outlook, Explorer, CASE B and NHSES/Easy IEP (Special Ed./LEP reporting systems)

**CERTIFICATIONS**

**Educational**

- NH - 0006, Special Ed. Administrator Certification No. 88760 (Current)
- NH - 0003, Principal Certification No. 88760 (Current)
- NH - 1900, General Special Ed. Certification No. 88760 (Current)
- NH - 1855, Emotional and Behavioral Disabilities Certification No. 88760 (Current)

- ME - 010, Superintendent (K-12) Certification No. 417114 (Current)
- ME - 030, Special Education Administrator (K-12) Certification No. 417114 (Current)
- ME - 040, Building Administrator/Principal (K-12) Certification No. 417114 (Current)
- ME - 079, Special Education Consultant (K-12) Certification No. 417114 (Current)
- ME - 282, Exceptional Student Ed. (K-8) (7-12) Certification No. 417114 (Current)

- FL - Educational Leadership (All Levels) Certification No. 1112791 (Current)
- FL - Exceptional Student Ed. (K-12) Certification No. 1112791 (Current)

**Professional**

- Behavioral Health Professional (BHP) - Behavioral Health Sciences Institute (Current)
- Safety Care - Quality Behavioral Solutions, QBS (Current)
- Therapeutic Crisis Intervention (TCI) - Colby University (Current)
- CPR/AED & First Aid - Red Cross (Current)



**EDUCATION**

- 1/11-8/15 Certificate of Advanced Graduate Study Program, Ed. Leadership/Special Ed. Administration, Superintendent, University of Southern Maine (Complete)
- 9/06-5/09 Master of Education, Educational Leadership, Plymouth State University (Complete)
- 2/98-12/04 Bachelor Science, Psychology and Law, Plymouth State University (Complete)

**EMPLOYMENT**

8/2018 - present Superintendent and Director of Operations, Mount Prospect Academy Inc.

I founded, and serve as the Superintendent of, Ashuelot Valley Academy in Keene, NH and Squamscott River Academy in North Hampton, NH. I am also the Director of Operations for all of Mount Prospect Academy Inc.'s Residential facilities, leading a team of Executive Directors through all aspects of operations including but not limited to (Fiscal Optimization, Recruiting, Teaching, Inspiring the team to evolve and grow professionally and personally, Danielson based Teacher and Lesson Evaluation, IDBEA Compliance, I.E.P. writing and case management, Functional Behavioral Analysis, Payroll, Scheduling, Recruitment, Budgeting, Marketing, Student/Faculty Discipline and Support, Arranging Transportation, Coordinating Community Service Initiatives, Professional Development and Training, Curriculum/Program Development, Assessment and Evaluation, Implementing and maintaining behavioral incentive systems, job placement and acting as an intermediary between sending school districts, state agencies, and the Mount Prospect Academy organization.)

7/2016 - 8/2018 Superintendent Special Education Director, Kittery Academy, Connections for Kids

I dually served as the consulting Special Education Director for the Kittery Academy, advising on: leadership, special education compliance, curriculum design, documentation, staff and program evaluation, physical plant management, supervision.

11/2012 - 8/2018 Director of Education and School Based Services, Connections for Kids, Affiliate of the Becket Family of Services.

I conceived and started Connections for Kids school based services while serving as Head of Schools for Becket, and continue to direct all aspects of operations and future course. Since the inception of our school based services, we have built behavioral mental health services collaborations with several school districts in Maine and together we have accomplished many individualized successes including: keeping students in district, transitioning students back into district, and teaching children the skills they need to access the general education setting.

Connections for Kids school based services are State of Maine, Department of Health and Human Services, approved behavioral health services (Section 65, 28, and Outpatient Counseling) designed to give students individualized support within the public school environment. Students that qualify and are enrolled in the school based services are afforded an extra layer of behavioral and mental health support within their current academic setting, by Clinicians and Behavioral Health Professionals (BHPs), so out of district placement in a specialized school does not need to be considered as quickly.

9/2009 - 11/12 Head of Schools, Executive Leadership of the Androscoggin Learning and Transition Center

The Androscoggin Learning and Transition Center is a not-for-profit 501 (c) 3 alternative school for grades 7-12. We provide individualized education, health, therapeutic and transitional services with the goal of helping students work through the program so that they can graduate or return to their sending school with the confidence, skills and the self-esteem they need to succeed. Our students go on to be successful in college, the military, or in the work force.

Some of my responsibilities included but were not limited to: Recruiting, Teaching, Inspiring the team to evolve and grow professionally and personally, Danielson based Teacher and Lesson Evaluation, IDEA Compliance, I.E.P. writing and case management, Functional Behavioral Analysis, Payroll, Scheduling, Recruitment, Budgeting, Marketing, Student/Faculty Discipline and Support, Arranging Transportation, Coordinating Community Service Initiatives, Professional Development and Training, Curriculum/Program Development, Assessment, and Evaluation, Implementing and maintaining behavioral incentive systems, job placement and acting as an intermediary between sending school districts, state agencies, and the Becket organization.

9/2006 - 9/2009 Principal/Special Ed. Director/Case Manager, & Teacher, The Life Centered Learning Institute, Alternative Academic and Vocational Program, Becket Family of Services

Overseeing faculty professional development, student affairs and discipline along with budget and physical plant management.

The Life Centered Learning Institute was also a not-for-profit 501 (c) 3 alternative school for grades 6-12. We provided individual educational, health, therapeutic and transitional services with the goal of helping them work through the program so that they can graduate or return to their sending school with the confidence, skills and self-esteem they need to succeed.

9/2005 - 9/2006

Residential Director, East Haverhill Academy part of the Becket Family of Services. Overseeing the daily operations of the East Haverhill Academy Boys and upstart of Girls residential campuses. Holding community therapeutic group sessions, faculty professional development etc.

8/2004 - 9/2005

Residential Director, Becket House at Campiton part of the Becket Family of Services. Transitioned, into a new facility, developed designed and implemented meaningful and treatment related programming based in community leadership and self-sufficiency.

11/2003 - 3/2004

Revenue/Reservations Manager, the Wyndham Garden Hotel - RTP, NC

Customer Service/Reservations/Group Reservations, scheduling airline crew arrivals and departures, staff coordination. Overall emphasis on positively impacting monthly revenue by selling the hotels amenities at the most competitive rate.

4/2002 - 9/2003

Residential Director, Wreath School/Mount Prospect Academy part of the Becket Family of Services.

Overseeing and coordinating the needs of adolescents and faculty development, as well as physical plant and budgetary management.

## REFERENCES

Upon Request

## LARA SAFFO

Lara.Saffo@Becket.org

### EXPERIENCE

2015 - PRESENT

CHIEF COMPLIANCE OFFICER, BECKET FAMILY OF SERVICES, MOUNT PROSPECT ACADEMY AND THE VERMONT PERMANENCY INITIATIVE

Oversees and manages compliance issues within Mount Prospect Academy and the Vermont Permanency Initiative. Ensures that both MPA and VPI are in compliance with various legal and regulatory requirements and that employees are in adherence with internal procedures and policies. Managed CARF accreditation for both organizations.

2009 - 2019

COUNTY ATTORNEY, GRAFTON COUNTY, NEW HAMPSHIRE

As the chief law enforcement official for Grafton County, directed and managed the prosecutorial office responsible for justice on behalf of the citizens of Grafton County. Sought and obtained funding to start new alternative sentencing programs, including mental health court, restorative justice for juveniles, and adult diversion. Successfully sought the expansion of drug court and the creation of an Alternative Sentencing Department in Grafton County. Specialized in domestic violence and sexual assaults, leading initiatives in both areas. Founding member and prosecution representative of Grafton County's Child Advocacy Center, as well as multiple Sexual Assault Resource Teams for over a decade. Expanded victim witness assistance to include misdemeanor level courts.

2004 - 2009

ASSISTANT AND DEPUTY COUNTY ATTORNEY, GRAFTON COUNTY, NEW HAMPSHIRE

Initially hired as the Violence Against Woman's Act prosecutor, then promoted to Deputy County Attorney. Responsible for prosecution of felony level crimes and working with over thirty law enforcement agencies on the state and federal level. Networked and collaborated with multiple agencies, including Crisis Support Services.

1999 - 2004

ASSOCIATE ATTORNEY, VAN DORN AND CURTISS, PLLC, ORFORD, NEW HAMPSHIRE

An associate attorney in a boutique law firm specializing in personal injury claims ranging from motor vehicle collisions to torts committed by governmental entities. Civilly represented victims of sexual assault.

### EDUCATION

MAY 1992

J.D., Vanderbilt University School of Law  
Nashville, Tennessee

Dean's List, Andrew Ewing finalist

Visiting Semester in Environmental Studies, Vermont Law School

American Jurisprudence Award, Water Law

Volunteer, Teaching legal skills at Tennessee's Maximum Security Prison

**JUNE 1988**

**B.A., Fairfield University**  
Fairfield, Connecticut  
Major in History, Minor in Latin American Caribbean Studies  
Semester abroad in Spain

**1988 - 1989**

**VOLUNTEER, JESUIT VOLUNTEER CORP**

Phoenix, Arizona.

As a member of the Jesuit Volunteer Corp, full time volunteer at the Crystal Shelter Against Domestic Violence. Also volunteered at Phoenix's homeless shelter, that served over 6 thousand people in the winter.

## **TEACHING EXPERIENCE**

2011 - present: Adjunct faculty member, Plymouth State University, Plymouth, New Hampshire. Past adjunct faculty member, White Mountains Community College. Taught a variety of criminal justice classes including: Individual and the Law, Introduction to Criminal Justice, Juvenile Justice, Criminal Procedure and Criminal Law.

## **GRANT WRITING EXPERIENCE**

Successfully applied for and received grants totaling over a million dollars for Grafton County, NH. Grants awarded included \$300,000 (three year) grant from the US Department of Justice to start the Grafton County Mental Health Court, \$450,000 (three year) grant to fund a part time adult sexual assault coordinator and two full time moving advocates for two of Grafton County's three advocacy programs. Part of a team that drafted grants to create an adult sexual assault investigator position for New Hampshire's rural counties as well as to obtain funding to start New Hampshire's Human Trafficking Coalition.

## **PROTOCOL DRAFTING EXPERIENCE**

On the team that wrote New Hampshire's Adult Sexual Assault Protocols and the draft Human Trafficking Protocols. Reviewed and presented on New Hampshire's Child Sexual Assault Protocols, Stalking Protocols and Domestic Violence Protocols.

## **AWARDS**

Everyday Hero Award, Grafton County Child Advocacy Center (2018)  
Hall of Fame, NH Coalition Against Domestic and Sexual Violence (2014)  
NAMI New Hampshire's System Change Award (2013)  
Carole Estes Community Leader Award, Cady, Inc. (2012)  
United Way "Live United" Public Sector Leadership Award (2010)  
Annual award: The Grafton County Drug Court (2010)  
NH County Attorney of the Year (2010)

## **ADDITIONAL INFORMATION**

Born and raised on the campus of a boarding school for Justice Involved Youth / Youth in Need of Residential Services (then Becket Academy in Connecticut, precursor to Becket Family of Services in New Hampshire, Maine, Vermont and Massachusetts). Attended this school for five years, from the 4<sup>th</sup>

through the 8<sup>th</sup> grade. Worked in various capacities on campus, including food service, adventure-based education, conference planning, and as an administrative assistant.

#### PRESENTATIONS

Presented on a variety of topics at multiple conferences and New Hampshire's Police Standards and Training Academy.

#### LEGISLATION

Assisting in drafting legislation on multiple topics, including strangulation, human trafficking, child care licensing, mental health courts and veterans courts.

**Richard Phelps, LICSW**



**EDUCATION**

September 1989- May 1991 Springfield College, Springfield, MA  
Master of Science, Social Work

September 1982- May 1985 University of Lowell, Lowell, MA  
Bachelor of Arts, Psychology

**EXPERIENCE**

February 2019- Present Mount Prospect Academy Director of Clinical Services

Responsible for clinical oversight of 7 residential treatment programs designed to provide clinical treatment to at-risk males and females ranging from 11-21 years of age. Duties include but not limited to:

- Providing trauma informed training and Evidenced Based Trainings for new and existing employees
- Supervision of Master's Level clinical faculty
- Providing licensure supervision for eligible candidates for licensure
- Providing oversight and consultation in support of starting and developing new treatment programs
- Program Design

August 2008- February 2019

Mount Prospect Academy, Plymouth NH  
Executive Director

Responsible for providing oversight to two residential treatment milieus as well as an alternative academic setting for at-risk youth referred by the states of NH, MASS and VT. Currently responsible for budget oversight, administrative supervision, program growth, and professional development and mentoring. Also, responsible for facilitating professional growth for clinical department and ongoing supervision of master's level clinicians as well as clinical interns. Additional duties include but not limited to: assessment and treatment planning for at-risk youth, providing training and consultation for residential faculty and other staff, facilitating team meetings for students with the focus on permanency planning, crisis intervention support, and supporting the overall vision of the organization as a member of the senior leadership team. Extensive experience working with the following treatment issues:

- Substance Abuse
- Mental Health/Psychiatric Issues
- Conduct and Behavioral Issues
- Substance/Co-Occurring Disorders
- Sexually reactive behaviors
- Trauma informed care

- Learning Disorders
- Developed, Implemented, and provided ongoing supervision of comprehensive short-term assessment program for at risk youth.

Presented or co-presented on the following;

- Trauma Informed Care
- Vicarious Trauma and the Importance of Wellness
- Trauma and the Impact on Learning
- How to integrate the ARC model of care into residential treatment

July 2005-  
August 2008

**Clinician**

Responsible for providing case management and clinical services for as many as fourteen at-risk adolescents. Duties include but not limited to individual and family therapy, facilitation of group treatment and development of psych social assessments and individual treatment plans.

August 1997- June 2005  
**Lowell Middlesex Academy Charter School, Lowell MA**

**Teacher/Clinician**

Responsible for providing a safe, structured learning environment for at risk, high school age youth. This included development and implementation of curriculum focusing on life skills acquisition. Duties include individual counseling, crisis intervention, peer mediation training, facilitation of educational groups focused on substance use, conflict resolution, teen pregnancy, and personal control; clinical consultant to staff; community networking.

September 1995-  
August 1999

**Lowell Public Schools, Lowell MA**  
**City and Arts Magnet Schools, Behavior Modification**  
**Center Monitor**

Responsible for facilitating a safe, secure learning environment in a public middle school for emotionally disturbed and delinquent students. Duties include: creating behavioral plans with students, peer mediation/conflict resolution, individual and group counseling, crisis intervention, staff education regarding urban issues affecting youth and families and case management including family intervention. In addition, taught standardized testing preparation as content and motivational leader. School representative to the District Attorney's Juvenile Justice Task Force.

August 1990-  
August 1995

**Massachusetts Department of Social Services, Lowell MA**  
**Social Worker III**

Responsible for the ongoing assessment and treatment of families with multiple issues in a child welfare agency. Duties include: case management, crisis intervention, clinical planning, court liaison, client advocacy and community networking. Experience with physical and sexual abuse, neglect, substance abuse and domestic violence. Supervision of MSW intern.

**CERTIFICATIONS:**

- \*Licensed Independent Clinical Social Worker, NH
- \*Mediator
- \*Batterer Intervention Provider
- \*Trauma Focused Cognitive Behavioral Therapist
- \*Trained EMDR therapist
- \*Past NH Social Work Board Chair on the Board of Mental Health Practice



# RACHEL UMBERGER

## EXPERIENCE

**OCTOBER 2016 – CURRENT**

### **CLINICAL DIRECTOR, BECKET FAMILY OF SERVICES (CAST)**

Responsible for oversight of six person clinical and permanency team with focus on short-term assessment completion for adjudicated adolescent males. Responsible for developing and implementing training to different milieu settings, supervision of direct reports and ensuring quality of all clinically-related documentation.

**MAY 2013 – OCTOBER 2016**

### **MILIEU CLINICIAN/CLINICAL COORDINATOR, BECKET FAMILY OF SERVICES (CAST)**

Provided clinical services to adjudicated adolescent males. Responsible for completing requisite paperwork relative to cases (treatment plans, psychosocial, case notes). Administered assessments to clients and crafted comprehensive assessment report. Received two awards for outstanding work and dedication to students.

## EDUCATION

**MAY 2013**

### **CLINICAL MENTAL HEALTH COUNSELING, PLYMOUTH STATE UNIVERSITY**

GPA: 3.85, Specializations: Children and Adolescents, GLBTQ+ population. 2012-2013: Chi Sigma Iota, National Counselor Education Honor Society (Advocacy Chair). 2011-present: American Mental Health Counselor Association. 2010-2011, 2016-present: New Hampshire Mental Health Counselor Association. Awarded first Master's level Internship at Plymouth State University Counseling and Human Relations Center.

**MAY 2007**

### **B.A. UNIVERSITY OF NEW HAMPSHIRE**

Major: Women's Studies, History. Minor: Gender Studies. University of New Hampshire President's Commission on the Status of Women "Student of the Year"; University of New Hampshire Undergraduate Research Conference, Award of Excellence, oral session.

## SKILLS

- EMDR-trained
- Interpretation of psychological assessments
- Assessment writing
- Valid LCMHC license
- ARC, YLS-CMI trained

## **ACTIVITIES**

2008-2010: CASA (Court Appointed Special Advocate). 2010-2013: member of Conference Planning Committee for Counselor Education and School Psychology Department at Plymouth State University.  
2015-2016: Adjunct undergraduate teacher (Interpersonal Conflict Resolution). Yoga. Football.

EDUCATION

Plymouth State University, Plymouth, NH - M.Ed. (GPA: 3.85) 2013 Clinical Mental Health Counseling  
*Specializations: Children and adolescents; GLBTQ+ population*  
University of New Hampshire, Durham, NH - M.A.\* 2009-2009 Justice Studies  
University of New Hampshire, Durham, NH - B.A. (Cum Laude) 2007 Major(s): Women's Studies,  
History  
Minor: Gender Studies  
Duke University, Durham, N.C. - B.A.\* 2003-2005 Major(s): Undeclared  
\*Completed coursework

EXPERIENCE

CLINICAL MENTAL HEALTH COUNSELOR INTERN  
*Counseling and Human Relations Center*  
Plymouth State University, Plymouth, NH 2011-current  
-First Master's level student offered internship at site (spanned two academic years)  
-Managed case load of 8-16 students (aged 18-26) per semester  
-Gained experience in group therapy, outreach to classes, (no international student population and crisis intervention)  
-With assistance of supervisor gained valuable experience related to various clinical treatment modalities (i.e. Cognitive Behavioral Therapy, Person-Centered Therapy), case conceptualization, diagnostic and assessment

GRADUATE TEACHING ASSISTANT - CULTURAL DIVERSITY  
Plymouth State University, Plymouth, NH 2010-current  
-Offered position for three consecutive years (one of only two people in history of position)  
-In charge of grading papers, taking attendance and communicating with 80-120 students per semester  
-Established close working relationship/mentorship with supervisor and learned pedagogical teaching approaches and classroom management skills  
-Received - and continues to receive - very positive end-of-semester reviews (no negative ones to date)

GRADUATE ASSISTANT - GENERAL COUNSEL'S OFFICE  
University System of New Hampshire, Durham, NH 2008-2009  
-Offered graduate assistantship for academic year that covered tuition and living costs  
-Worked closely with the General Counsel for the University System of New Hampshire and Assistant General Counsel  
-Was responsible for pulling 10+ years of "Client Files" in the General Counsel's office  
-Point person for managing electronic systematizing, record-keeping and storage for "Client Files"

ASSISTANT TO HEAD OF SCHOOL  
Coryn Russell School, Sudbury, MA 2007-2008  
-Youngest full-time faculty member and one of three administrative positions at the school  
-Responsible for facilitating all communication between parents and faculty and the school and public school Special Education professionals  
-Became part of the school community through advising students, coaching and substitute teaching

PROFESSIONAL MEMBERSHIPS

2011 - present: Chi Sigma Iota National Counselor Education Honor Society  
2011 - present: American Mental Health Counselor Association  
2010 - 2011: New Hampshire Mental Health Counselor Association

AWARDS

2011 - Awarded first Master's level Internship position at Plymouth State University Counseling and Human Relations Center  
2007 - University of New Hampshire President's Commission on the Status of Women "Student of the Year"  
2007 - University of New Hampshire Undergraduate Research Conference; Award of Excellence, Oral Session  
2006 - Full scholarship to Duke University (Track and Field)  
2002 - Adidas Outdoor Track and Field National Champion (800 m.)

PUBLICATIONS

2007 - *Micro-women: Antipovity or Antifeminist?*, University of New Hampshire Online Sociology Journal

VOLUNTEER WORK

2012 - present: Chi Sigma Iota, member of Executive Board, Advocacy Chair  
2010 - present: member of Conference Planning Committee for Counselor Education and School Psychology Department at Plymouth State University  
-planned, coordinated and executed two university-wide conferences with department faculty member and other students  
2003 - 2010: CASA (Court Appointed Special Advocate)  
-legally advocated for children under the age of 18 in the New Hampshire Court System

# Ian T. Detamore

Address: [REDACTED]

Email: Ian.Detamore@Becket.org  
[REDACTED]

<b>Objective</b>	To maintain a safe and therapeutic residential treatment program for students and faculty.
<b>Education</b>	M.Ed., School/Community Counseling, Ohio University, Athens, Ohio (06/2008) B.A., Psychology, University of Cincinnati, Cincinnati, Ohio (12/2005)
<b>Certifications</b>	New Hampshire Licensed Clinical Mental Health Counselor (LCMHC) #872. (08/2011 - Present) National Certified Counselor (NCC) # 266484. (04/2010 - Present) Ohio Licensed Professional Counselor (LPC) #0-0700403. (07/2008 - Present) Certificate of Deaf Studies. (01/2005) Trauma Focused- Cognitive Behavioral Therapy. (11/2010 - Present) American Heart Association, Healthcare Provider CPR/AED. (11/2010 - Present) Therapeutic Crisis Intervention (TCI) Instructor. (05/2014 - Current) Eye Movement Desensitization and Reprocessing (EMDR). (05/2016 - Present)
<b>Experience</b>	<p><b>Leadership Positions</b></p> <ul style="list-style-type: none"> <li>• Executive Director - Becket Family of Services (MPA), Campton, NH (01/17 - Present)</li> <li>• Clinical Director - Becket Family of Services, Campton, NH (01/15 - 01/17)</li> <li>• Director of Operations - Becket Family of Services, Plymouth, NH (07/14 - 01/15)</li> <li>• Treatment Coordinator - Becket Family of Services, Plymouth, NH (01/11 - 01/13)</li> <li>• Permanency Specialist - Becket Family of Services, Dover, NH (01/10 - 01/11)</li> <li>• Community Clinician - Becket Family of Services, Campton, NH (07/08 - 01/10)</li> <li>• School Counselor Intern - Melgs Middle School, Pomeroy, OH (02/08 - 06/08)</li> <li>• School Counselor Intern - Trimble High School, Gloster, OH (08/07 - 02/08)</li> <li>• Counselor Intern - Health Recovery Services, GDOA, Athens, OH (06/07 - 03/08)</li> </ul> <p><b>Organizational Ability</b></p> <ul style="list-style-type: none"> <li>• Implemented a agency wide, monthly trainings for 60+ faculty members.</li> <li>• Provided oversight to residential treatment facility for 29 students.</li> <li>• Trained in TBRI, TF-CBT, EMDR &amp; ARC</li> <li>• Facilitate agency trainings for Therapeutic Crisis Intervention (TCI)</li> <li>• Planned and scheduled faculty clinical assignments for 754 students.</li> <li>• Advised the Juvenile Fire Setters Prevention Group, 8 Students.</li> <li>• Human Rights Committee</li> <li>• Established Mount Prospect Academy's Sub-Acute Treatment program, 12 students.</li> <li>• Developed and Implemented Mental and Behavioral Health Treatment Pathways.</li> <li>• Developed Mount Prospect Academy's Mental and Behavioral Health Group Curriculum.</li> </ul> <p><b>Communications / Language / Creative Projects</b></p> <ul style="list-style-type: none"> <li>• Safety Committee, 2017</li> <li>• Community Clinician Award of Excellence, Winter 2009</li> <li>• Effective communication skills in American Sign Language (ASL)</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• American School Counseling Association, member (1/07 - Current)</li> <li>• American Counseling Association, member (1/07 - Current)</li> <li>• Chi Sigma Iota, National Honors Counseling Society (3/07 - Current)</li> <li>• Graduate Assistant, Ohio University Counseling Department (1/08 - 6/08)</li> <li>• Teaching Assistant, Introduction to Psychology (2/04 - 1/05)</li> </ul>

LeRoy Hollis



**PROFILE**

I am a Licensed Masters level Social Worker with four years' experience as a mental health clinician. Since January 2016 I have been working as a milieu clinician with Becket Family of Services in Campton New Hampshire providing individual and group trauma informed therapy with at risk adolescent youth. Prior to moving to New Hampshire I worked in Connecticut for fourteen years as a child protection social worker with the Department of Children and Families.

**EXPERIENCE**

**Mount Prospect Academy-2016-present**

**Executive Director MPA Pike Programs 2020-present**

Oversee the Pike Campus  
Provide Administrative oversight

**Clinical Director 2019-present**

Oversee clinical and permanency team  
Facilitate clinical training  
Provides direct supervision to the milieu clinician's and permanency coordinators.

**Milieu Clinician; Becket Family of Services Campton NH 2016-2019**

Becket House of Campton

Sub-Acute Program

Enhanced Residential Treatment Program

Milieu Clinician work with adolescent youth who have been adjudicated delinquent and placed residentially. The clinician provides individual and group counseling as well as crisis intervention and stabilization using trauma informed modalities.

Provide individual and Group counseling within the Milieu Setting

Provide Family Counseling within the program and home setting

Outpatient therapist; Genesis Behavioral Health, 111 Church Street, Laconia NH

The individual clinician provides counseling for adults with persistent mental and behavioral health issues.

**Child Protection Social Worker; Department of Children and Families State of Connecticut 322 Main Street, Willimantic, Ct 06226 April 2001-2015**

Child Protection Social Worker's work directly with families towards creating, preserving, and strengthening appropriate familial functioning. As well as ensuring child safety. The social worker

is responsible for creating various reports including writing Case Plans, Social Studies, investigation reports, and court petitions.

Over the past fourteen years I have been assigned to several positions within the Department, including In-home Unit, Placement Unit, Voluntary Services Unit, and Investigations. Ten years experience as a Child Abuse Investigator.

Forensic Interviewer-Interview children who are the victims of childhood sexual abuse and or serious physical abuse.

Downey Side for Children and Youth 2000-2001

Downey Side is a non-profit adoption agency that had an office in Rocky Hill Connecticut. I worked as an adoption social worker recruiting and licensing prospective adoptive families who adopted children placed within the child protection agencies in several states.

Natchaug Hospital  
189 Storms Rd, Mansfield Center, CT 06250 1997-1999

Natchaug Hospital is a private psychiatric hospital that serves children and adults with mental health and behavioral issues. I worked at Natchaug Hospital as a Mental Health Worker on the Child and Adolescent Inpatient units.

United State Navy 1988-1996

I served ten years in the Navy as a Hospital Corpsman providing medical care to Sailors and Marines in various environments.

## EDUCATION

Associates of Human Services: Guilford Valley Community College 1998

Bachelors of Social Work: Eastern Connecticut State University 2000

Masters of Social Work: Springfield College 2007

State Licensure: LICSW # 2185 New Hampshire

### Training and Certifications:

CATP 2019

SOTP 2019

EMDR 2017

Certificate of Trauma Studies 2014- the Trauma Center at JRI

Working with Traumatized Children 2014

The Developmental Impact of Trauma 2012

Reframing the Aftermath of Child/Adolescent Sexual Abuse 2008

Clinical Training in Treatment of Children with Trauma-Attachment Problems 2008. Forty hour training in Dyadic Developmental Psychotherapy

Forensic Sexual Abuse Interviewing Cornerhouse 2007

**SKILLS:**

Individual trauma informed counseling

Group Counseling

Child Abuse Investigator

Forensic Interviewer

Trauma Champion

Case Management

Leadership

**Joseph Patrick Michel**

Joseph.Michel@Becket.org

**Education**

**Plymouth State University, Plymouth, NH- Bachelor of the Arts**

**Major: Criminal Justice**

Learning the three major components of the criminal justice system that include law enforcement, the courts, and prisons. Understanding what factors led to a crime being committed, by not only examining the offender, but the surrounding circumstances.

Relevant classes including: Criminal Adjudication, Juvenile Delinquency, Law Enforcement Environment, Criminology, Foundations of Sociology and Sociology of the Family.

**Dover- Sherborn Regional High School, Dover, MA - 2004-2007**

**Employment History**

**Light Equipment Operator/Town Employee, Dover Parks and Recreation, Dover, MA - 2010**

Responsible for field maintenance of town.

**Camp Counselor, Chickering Camp, Dover, MA - 2004-2010**

Responsible for safety of children, and helping them progress in certain skills that will help them later in life.

**General Employee, Dover Mobil Gas Station, Dover MA 2011-2012**

Responsible for store orders, daily customer service, and some work assisting the mechanic. Developed and executed people skills, and everyday maintenance skills needed on automobiles.

**Community Leader, Becket House of Campton, Campton NH 03223. 2012- 2014**

**Program Manager, Becket House of Campton, Campton NH 03223. 2014-2015**

**Program Manager, Becket House of Plymouth (CAST), Plymouth NH 03264. 2015-2016**

**Dean of Students, Mount Prospect Academy, Plymouth NH 03264. 2016-2018**

**Residential Administrator, Mount Prospect Academy, Plymouth NH 03264. 2018-2019**

**Executive Director, MPA Adventure Therapy, Warren NH 03279. 2019- Present**



## Samantha Bynum Hammond, LCSW

### OBJECTIVE

Obtain an administrative clinical position in order to further enhance clinical and supervisory skills needed to meet the needs of clients served, as well as the mission of the agency.

### EDUCATION

California State University, Fullerton

May 2014

Masters of Social Work

Concentration: Community Mental Health

Sonoma State University

May 2011

Bachelor of Arts, Psychology

Minor: Women's and Gender Studies

### RELATED WORK EXPERIENCE

San Bernardino County Department of Behavioral Health (DBH) Rialto, CA November 2018-Present

*Clinical Therapist II - (Triage, Engagement, and Support Team) (Children & Youth Collaborative Services)*

- Provide both clinical and administrative individual and group supervision to field-based Clinical Therapist I's and Social Worker II's who are co-located at Children and Family Services, Law Enforcement agencies, Hospitals, and University sites.

- Complete Work Performance Evaluations and review and approve timesheets and scheduling requests for staff under supervision.

- Monitor state programs involving children's mental health services in the county, including the ASIST MDT meetings, implementation of the county's Electronic Health Record, and the CASE program.

- Participate in Multidisciplinary Team Meetings as the representative for the Department of Behavioral Health Children's Services to collaborate with other county agencies and discuss service needs for Commercially Sexually Exploited Children (CSEC) throughout San Bernardino County.

- Provide trainings to county employees and county contract providers in support of adherence to county and state documentation standards, including TCOM/CANS training.

Bridge Vision Inc.

San Bernardino, CA

June 2018-April 2019

*Licensed Clinical Social Worker - Private Practice*

- Provided individual and family therapy to clients insured through IEHP. Completed necessary assessments, treatment plans, and progress notes for client care and insurance billing.

San Bernardino County DBH

San Bernardino, CA

April 2017-November 2018

*Clinical Therapist I - Children & Youth Collaborative Services (CYCS)*

- Provided intensive case coordination for children and youth throughout the county who require intensive mental health services. Services include: linkage and consultation, collateral support, clinical assessment and treatment planning, individual therapy, and family therapy.

- Conducted Annual Program Reviews for contract agencies to ensure adequate service delivery and appropriate documentation of services for Medical billing.

- Acted as DBH Liaison for Children's Residential Intensive Services programs to ensure adherence to DBH policy as well as scope of practice and billing.

Monterey County Children's Behavioral Health

Salinas, CA

June 2014-April 2017

*Psychiatric Social Worker I - (Family Reunification Partnership Program) (Therapeutic Visitation Program) (Emergency Cherish Response) (Bates Child Advocacy Center)*

- Assessed children at 23 hour emergency shelter after they were removed from their caregivers, collaborating with partner agencies to determine placement in context of dependency court.

## Samantha Bynum Hammond, LCSW

- Provided support to children who experienced sexual abuse as they participated in Forensic Interviewing process and offered referrals to their families for additional mental health service needs.
- Provided individual and family therapy to adults and children involved in the reunification process of dependency court.

The Children's Village of Sonoma County                      Santa Rosa, CA                      March 2011-August 2012  
 Team Lead/House Parent    May 2013-August 2013

- Supervised a team of 6-8 house staff in providing care to 6 foster youth living in a group home.
- Collaborated with the treatment teams of each foster child and facilitated weekly staff meetings.
- Managed activity schedules, staff meetings, family visitation, and budget of group home.

### INTERNSHIP EXPERIENCE

Canyon Ridge Hospital    Chino, CA                      August 2013-May 2014

Masters of Social Work Intern—Group Therapy Department and Assessment & Referral Department

- Utilized evidence-based therapeutic interventions to facilitate group, family, and individual therapy sessions for adult and adolescent patients age 13 and older.
- Assessed and diagnosed patients admitted to psychiatric hospital both voluntarily and involuntarily.
- Provided appropriate referrals for individuals seeking inpatient and outpatient services.

Orange County Adult Mental Health Outpatient Clinic                      Anaheim, CA                      August 2012-May 2013

Masters of Social Work Intern—TAYPACT Care Coordinator

- Managed a caseload of clients in the Transition Age Youth Program for Assertive Community Treatment (TAYPACT) between the ages of 18 and 26.
- Provided individual, family, and group therapy for clients at outpatient clinic.
- Consulted daily with other TAYPACT care coordinators from all Orange County clinics.

Verity (Formerly United Against Sexual Assault)                      Santa Rosa, CA                      June 2010-June 2011

Crisis Line Counselor

- Counseled individuals calling 24/7 crisis line regarding struggles with past and present sexual assault.
- Accompanied victims/survivors of sexual assault to sexual assault examinations and court hearings.

### CERTIFICATES/LICENSES

NH Board of Mental Health—Licensed Independent Social Worker                      June 2020-June 2022

License # 2260

\*Approved by the board to provide clinical supervision to unlicensed clinicians\*

CA Board of Behavioral Sciences—Licensed Clinical Social Worker                      July 2017-Present

License # LCSW78117

\*Currently Inactive Status\*

\*Required classes completed to provide clinical supervision to registered clinicians\*

Board of Behavioral Sciences—Associate Clinical Social Worker                      August 2014-July 2017

Registration # 63071

5150/5585 Hold Writer Authorization                      December 2018-December 31, 2020

Control # 4630

Psychological First Aid/Disaster Mental Health                      January 2018

CPR/First Aid                      August 15, 2017

Trauma-Informed Care Training Series                      2015-2016

CANS Certification                      April 2017

**Samantha Bynum Hammond, LCSW**

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**REFERENCES**

<b>Heather Copeland, LMFT</b>	(951) 522-4608
Clinic Supervisor, San Bernardino County CYCS	
<b>Dianne Wolkenhauser, PhD</b>	(909) 633-8622
Program Manager, San Bernardino County CYCS	
<b>Giovanna Morelli, LCSW</b>	(831) 234-8110
Clinic Supervisor, Monterey County Children's Behavioral Health	

## JOHN T. SEARS

### PROFESSIONAL PROFILE

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Skilled financial accounting professional with over thirty years of steady growth. Areas of expertise include leading the complete month-end close process, full balance sheet reconciliation, internal and external financial reporting, budgeting, forecasting, cash management, fixed assets, inventory, years of hands-on experience in many capacities in the hospitality industry.

### PROFESSIONAL EXPERIENCE

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MOUNT PROSPECT ACADEMY, Plymouth, NH 1/2017-6/2021

#### CHIEF FINANCIAL OFFICER

- Manage all aspects of the Business Office for a \$49 million academic and residential non-profit
- Manage and train team of seven accountants in month-end close, balance sheet reconciliations, payroll, accounts payable, and accounts receivable
- Collaborate with related company colleagues on management and accounting topics
- Advise all fellow associates on financial and other matters
- Development and deployment of SOP's
- Responsible for compliance in several annual audits
- Maintain safe, positive, and friendly work environment

COLWEN HOTELS, Portsmouth, NH

1/2017-6/2021

#### DIRECTOR of HOTEL ACCOUNTING

- Manage and train team of three direct, two indirect reports who complete month end close/Balance Sheet reconciliation for portfolio of 32 hotels
- Maintaining budget, and forecast files for portfolio
- Review financials with General Managers monthly
- Deliver accurate, timely financial reporting package for 15 hotels monthly
- Collaborate with CFO in development and deployment of SOP's
- Manage Transition/Opening accounting checklist
- Mentor and train accounting staff

#### REGIONAL CONTROLLER

- Manage complete month end close/Balance Sheet reconciliation for portfolio of seven hotels
- Responsible for training and oversight of property accountants at full-service properties
- Responsible for accurate, timely full financial reporting to three different ownership groups
- Member of Advisory Committee, which develops and implements best practices and SOP's
- Responsible for Cash Management of 19 bank accounts including weekly reconciliation
- Perform monthly on-site training for hotel management staff
- File MA and NJ Room Occupancy, Meals & Beverage, Sales & Use, and Services taxes monthly

PYRAMID HOTEL GROUP LLC, Boston, MA

3/2014-1/2017

#### CENTRALIZED CONTROLLER

- Manage complete month end close/Balance Sheet reconciliation for four active, three inactive hotels
- Responsible for accurate, timely full financial reporting to four different ownership companies
- Responsible for Cash Management, including 26 bank accounts
- File MA, FL, AZ, HI Room Occupancy, Meals & Beverage, Sales & Use, and Services taxes monthly
- Perform Task Force assignments – due diligence, property take-over/disposition teams

#### CONTROLLER

- Member of the Executive Committee
- Manage an accounting staff of three associates for a \$11 Million, 293 room hotel featuring 189 Prime restaurant, Lobby Lounge, Characters Sports Bar, Conference Center, Room Service, and Gift Shop

- Responsible for accurate, timely financial reporting to ownership, including SOI, monthly forecast, and weekly productivity reporting
- Produce annual budget
- File MA Room Occupancy, Meals & Beverage, Sales & Use, and Service taxes monthly

HEI HOTELS & RESORTS, Embassy Suites - Waltham, MA

9/2013-3/2014

**DIRECTOR of FINANCE**

- Member of the Executive Committee
- Manage an accounting staff of three associates for an \$18 Million, 275 room hotel featuring full service Restaurant, Bar, and Conference Center, Suite Service, and Gift Shop revenue centers
- Responsible for accurate, timely financial reporting to ownership and management company, including Income Statement, Mid-month Reforecast, Daily Sales Report, and productivity reporting
- Produce annual budget
- File Massachusetts Room Occupancy, Meals & Beverage, Sales & Use, and Service taxes monthly

WEDGE HOTELS CORPORATION, Wyndham Boston/Chelsea, MA

3/2005-9/2013

**CONTROLLER**

- Member of the Executive Committee
- Managed an accounting staff of three associates for a \$6 Million, full service hotel, restaurant and bar
- Responsible for accurate, timely financial reporting to ownership
- Produce annual budget
- Performed Task Force - due-diligence, property takeover/disposition teams

THE ATKINSON RESORT & COUNTRY CLUB, Atkinson, NH

6/2003-3/2005

**CONTROLLER**

- Member of the Executive Committee, Marketing Committee, and Operations Committee
- Managed an accounting staff of six for a \$15 million Golf resort with Hotel and full F&B
- Responsible for accurate, timely financial reporting to ownership and quarterly audits by CPA firm
- Instituted the company's first budgeting and reconciliation
- Implemented Micros 3700 POS system.

MAST INDUSTRIES, INC., Andover, MA

1/2001-6/2003

**SENIOR FINANCIAL ANALYST – Financial Reporting**

- Produced internal and external consolidated financial reports for \$1.6 billion Company
- Audited and posted financial statements of foreign production offices and joint ventures to the G/L
- Member of Hyperion Enterprise consolidation software implementation team

WEDGE HOTELS CORPORATION, Raddison Hotel, Chelmsford, MA

1992-2001

- **Assistant Controller** (1998-1/2001)
- **Staff Accountant** (1997 – 1998)
- **Accounts Payable Manager/General Cashier** (1994 – 1997)
- **Night Audit Supervisor** (1992 – 1994)

**RECOGNITION**

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ACE Award – Pyramid Hotel Group, LLC Quarter 2, 2014 Best Flow-Thru %.

ACE Award – Pyramid Hotel Group, LLC Quarter 3, 2014 Best Reporting Report Card

“Yes There Is A Way” Award – MAST Industries Quarter 1, 2002. Hyperion database implementation

“Most Valuable Manager” Award 1999 – Radisson Hotel & Suites

**EDUCATION**

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Bachelor of Science in Business Administration  
Associate of Business Science – Accounting

Plymouth State University, Plymouth, NH  
Hesser College, Nashua, NH

## Christian Wolter

Residential Director – Mount Prospect Academy

██████████ | Email: Christian.Wolter@becket.org

**Professional Objective:** Passionate and motivated professional with a strong leadership background. Promotions from entry level to Director level at Becket Family of Services and sister company Mount Prospect Academy, a non-profit company whose mission is helping struggling adolescents navigate the difficulties of life.

### Mount Prospect Academy (03/2019 – present)

*Residential Director (5/1/2021 – present)*

- Took direct responsibility of the residential leadership and overall financial management of the Hampton cost center.
- Directly manage 35+ staff and support the program as an on-call support 24/7.
- Responsible for hire and retaining all our staff members to maintain proper contract ratios.
- Lead weekly trainings for all staff members to maintain proper compliance and ensure staff are well trained.
- Developed new contracts for the program to support additional children in need of services.
- Work with the Clinical Director to ensure treatment models are effective and student focused.
- Increased the Hampton census to an average of 17.4/month total and an average ERT census to over 9/month.
- Have turned a positive surplus each month in order to invest in programming, building supplies, student activities, staff appreciation, etc.

*Director of Talent Acquisition (4/1/2020 – 5/1/2021)*

- Transitioned during COVID-19 to support sister company Mount Prospect Academy.
- Increased our hiring numbers by 20% in the first 6-months, despite the COVID-19 pandemic. April 2020 was our best hiring month for the year.
- Reduced our recruiting spend by \$35,000 and used that money to establish a new relationship with a third-party candidate tracking platform at neutral cost.
- Directly manage a team of 6 recruiters responsible for the hiring performance for 500+ employees and 15 programs.

### Becket Family of Services (03/2019 – 4/1/2020)

*Director of Talent Acquisition (12/1/19 – 4/1/2020)*

- Created the structure and led the implementation process of a third-party candidate tracking company for more than 1,400+ employees.
- Directly responsible for recruiting and hiring for all of Becket Family of Services.
- Promoted for the 2<sup>nd</sup> time in 10 months at the company.

*Risk Management Director (07/2019 – 11/30/19)*

- Promoted within 5 months to position as Risk Management Director.
- In the first 3 months developed companywide fleet safety policy and GPS tracking program for over 250 vehicles.
- Assume direct responsibility for training our program managers on proper time & attendance management for a 1,400+ workforce, resulting in a 50% reduction of payroll issues each pay cycle.
- Create and analyze monthly operating reports for numerous programs to advise leadership on current YTD performance against 2020 budget.

*Direct Support Professional (03/2019 – 07/2019)*

- Worked directly with our programs difficult-to-serve clients as a residential counselor to improve and enhance their lives, and routinely volunteered for extra shifts and weekend coverage to keep our program running efficiently.

### USI Insurance Services (07/2017 – 03/2019)

*Vice President – Employee Benefits*

- Youngest hire at the company in my position.
- 2<sup>nd</sup> highest number of new business meetings on our team with an average of 1.5 meetings a week and 50+ in the year, resulting in 8 finalist meetings compared to an average of less than 1 a week and less than 5 finalists a year.
- Developed an innovative new sales & marketing technique, comprised of sending a package, Legos, and a letter to prospective clients, which led to a 15% success rate, compared to 5% with standard approaches.
- Asked by leadership to mentor struggling or new members of our production team and had my first mentee attain "Peak" status, given to the top salespeople in the organization.

**Northeastern D'Amore McKim School of Business (2022) – Masters in Business Administration (GPA 3.79).**

**University of Michigan (2017) – BA, Economics**

- Earned University Honors in 2014 and 2016.
- Selected as Captain of D1 Michigan Men's Lacrosse Team.
- Awarded Student-Athlete Academic Achievement Award from 2015 to 2017.

**Hobbies:** Fishing, Sports, Coaching, CrossFit, Volunteering, Reading, Exercising, Golfing, Waterskiing



**MOUNT PROSPECT ACADEMY, INC.**

Key Personnel

Name	Job Title	Salary Amount Paid from this Contract
Jeffrey Caron	President, MPA	0
John Sears	Chief Financial Officer	0
John Fulp	Director of Operations	0
Jay Marshall	Head of Schools	0
Richard Phelps	Director of Clinical Services	0
Vacant	Director of Medical Services	0
Rachel Umberger	Executive Director, MPA at Plymouth (CAST and Summit) and MPA at Rumney	0
Ian Detamore	Executive Director, MPA at Campton (ERT and Shelter Care)	0
Joe Michel	Executive Director, MPA at Warren	0
LeRoy Hollis	Executive and Clinical Director, MPA at Pike (Hall Farm and SubAcute)	0
Christian Wolter	Executive Director, MPA at Hampton	0
Lara Saffo	Chief Compliance Officer	0

**Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth**

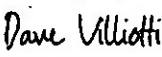

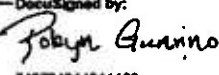
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> New Hampshire Department of Health and Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301-3857	
<b>1.3 Contractor Name</b> Nashua Children's Home		<b>1.4 Contractor Address</b> 125 Amherst Street, Nashua, NH 03064	
<b>1.5 Contractor Phone Number</b> 603-883-3851	<b>1.6 Account Number</b> 10-20530000-102-500731	<b>1.7 Completion Date</b> 6/30/2023	<b>1.8 Price Limitation</b> \$1,700,000
<b>1.9 Contracting Officer for State Agency</b> Robert W. Moore, Director		<b>1.10 State Agency Telephone Number</b> (603) 271-9631	
<b>1.11 Contractor Signature</b> DocuSigned by:  Date: 10/12/2022		<b>1.12 Name and Title of Contractor Signatory</b> Dave villiotti Executive Director	
<b>1.13 State Agency Signature</b> DocuSigned by:  Date: 10/13/2022		<b>1.14 Name and Title of State Agency Signatory</b> Katja S. Fox Director	
<b>1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b> By:  On: 10/13/2022			
<b>1.17 Approval by the Governor and Executive Council (if applicable)</b> G&C Item number: _____ G&C Meeting Date: _____			



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

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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

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

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

8.1.1 failure to perform the Services, satisfactorily or on schedule;

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

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

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

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

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

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

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

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

**9. TERMINATION.**

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

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

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

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

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

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

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

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

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

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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its Plan within five (5) days of notification of non-approval from the Department.

1.6. The Contractor must implement the Plan immediately upon notification of Department approval.

1.7. Reporting

1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:

1.7.1.1. Youth Served.

1.7.1.2. Workforce, including, but not limited to:

1.7.1.2.1. Total Staffing.

1.7.1.2.2. Resignations.

1.7.1.2.3. Vacant Positions.

1.7.1.2.4. Offers.

1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.

2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

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

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

- 4.1. The Contractor must keep records that include, but are not limited to:
  - 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
  - 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.



New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated recordset" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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New Hampshire Department of Health and Human Services

Exhibit D

- i. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR Section 164.103.
- m. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. “Unsecured Protected Health Information” means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



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Exhibit D

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



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Exhibit D

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

Department of Health and Human Services

Nashua Children's Home

The State

Name of the Contractor

DocuSigned by:

DocuSigned by:

*Katja S. Fox*

*Dave Villiotti*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Dave Villiotti

Name of Authorized Representative

Name of Authorized Representative

Director

Executive Director

Title of Authorized Representative

Title of Authorized Representative

10/13/2022

10/12/2022

Date

Date

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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## New Hampshire Department of Health and Human Services

### Exhibit E

### DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

#### B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

#### IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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## New Hampshire Department of Health and Human Services

### Exhibit E

### DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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**Exhibit E**

**DHHS Information Security Requirements**



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

**A. DHHS Privacy Officer:**

DHHSPrivacyOfficer@dhhs.nh.gov

**B. DHHS Security Officer:**

DHHSInformationSecurityOffice@dhhs.nh.gov

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# State of New Hampshire

## Department of State

### CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that NASHUA CHILDREN'S HOME is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on June 04, 1903. 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: 61867

Certificate Number: 0005882182



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed,

the Seal of the State of New Hampshire,

this 11th day of October A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan

Secretary of State

**CERTIFICATE OF AUTHORITY**

I, Tricia L. Albert, hereby certify that:

(Name of the Elected Officer of the Corporation must be printed legibly)

1. I am a duly elected Clerk/Secretary/Officer of Nashua Children's Home.  
(Corporation's Full Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on October 12, 2022, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

**VOTED:** That David Villiotti, Executive Director (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of Nashua Children's Home to enter into contracts or agreements with the State  
(Name of Corporation: LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: October 12, 2022

Tricia L. Albert  
Signature of Elected Officer  
Name: Tricia L. Albert  
Title: President



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/12/2022

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> FIAI/Cross Insurance 1100 Elm Street  Manchester NH 03101	<b>CONTACT NAME:</b> Marissa Louci <b>PHONE (A/C, No, Ext):</b> (603) 669-3218 <b>FAX (A/C, No):</b> (603) 645-4331 <b>E-MAIL ADDRESS:</b> manch.certs@crossagency.com																					
<b>INSURED</b> Nashua Children's Home 125 Amherst Street  Nashua NH 03064	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td><b>INSURER A:</b> Philadelphia Indemnity Ins Co</td> <td></td> <td>18058</td> </tr> <tr> <td><b>INSURER B:</b> Granite State Health Care and Human Services Self-</td> <td></td> <td></td> </tr> <tr> <td><b>INSURER C:</b></td> <td></td> <td></td> </tr> <tr> <td><b>INSURER D:</b></td> <td></td> <td></td> </tr> <tr> <td><b>INSURER E:</b></td> <td></td> <td></td> </tr> <tr> <td><b>INSURER F:</b></td> <td></td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	<b>INSURER A:</b> Philadelphia Indemnity Ins Co		18058	<b>INSURER B:</b> Granite State Health Care and Human Services Self-			<b>INSURER C:</b>			<b>INSURER D:</b>			<b>INSURER E:</b>			<b>INSURER F:</b>		
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<b>INSURER D:</b>																						
<b>INSURER E:</b>																						
<b>INSURER F:</b>																						

**COVERAGES**                      **CERTIFICATE NUMBER:** 22-23 All Lines                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LINE LTR	TYPE OF INSURANCE	ADDITIONAL COVERAGES		POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
		INSUR	WYD					
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			PHPK2438014	07/11/2022	07/11/2023	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (FA occupancy)	\$ 100,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 3,000,000
							PRODUCTS - COMPROP AGG	\$ 3,000,000
								\$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> AUTOS ONLY			PHPK2438026	07/11/2022	07/11/2023	COMBINED SINGLE LIMIT (EA accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
							\$	
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE			PHUB823712	07/11/2022	07/11/2023	EACH OCCURRENCE	\$ 2,000,000
							AGGREGATE	\$ 2,000,000
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	HCHS20220000561 (3a.) NH	01/01/2022	01/01/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
	Volunteer Board of Directors excluded from workers compensation coverage							

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
 Refer to policy for exclusionary endorsements and special provisions.

**CERTIFICATE HOLDER**                      **CANCELLATION**

State of NH Department of Health and Human Services 129 Pleasant Street  Concord NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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## Mission Statement

Nashua Children's Home is committed to the care, welfare and educational achievement of children and youth within its Residential and Educational Programs, and the successful transition to adult living of the young men and women in its Transitional Living program. Nashua Children's Home provides care and stability to boys and girls unable to remain with their families, special education services for students who have not been successful in public school settings, and supportive housing for youth that have "aged-out" of care.

**Nashua  
Children's  
Home**



**NASHUA CHILDREN'S HOME**

Financial Statements  
For the Year Ended June 30, 2021

(With Independent Auditors' Report Thereon)

**CONTENTS**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Nashua Children's Home

### Report on the Financial Statements

We have audited the accompanying financial statements of Nashua Children's Home, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

---

Merrimack, New Hampshire  
Andover, Massachusetts  
Greenfield, Massachusetts  
Ellsworth, Maine



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashua Children's Home as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Nashua Children's Home's fiscal year 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021 on our consideration of Nashua Children's Home's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nashua Children's Home's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads 'Melanson'.

Merrimack, New Hampshire  
December 17, 2021

## NASHUA CHILDREN'S HOME

Statement of Financial Position  
 June 30, 2021  
 (with comparative totals as of June 30, 2020)

	2021		2021 Total	2020 Total
	Without Donor Restrictions	With Donor Restrictions		
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 1,250,786	\$ 163,928	\$ 1,414,714	\$ 1,105,248
Accounts receivable	251,214	-	251,214	215,766
Prepaid expenses	19,728	-	19,728	31,803
<b>Total Current Assets</b>	<b>1,521,728</b>	<b>163,928</b>	<b>1,685,656</b>	<b>1,352,817</b>
<b>Noncurrent Assets:</b>				
Investments	4,739,709	53,219	4,792,928	3,150,411
Property and equipment, net	928,209	-	928,209	1,002,963
<b>Total Noncurrent Assets</b>	<b>5,667,918</b>	<b>53,219</b>	<b>5,721,137</b>	<b>4,153,374</b>
<b>TOTAL ASSETS</b>	<b>\$ 7,189,646</b>	<b>\$ 217,147</b>	<b>\$ 7,406,793</b>	<b>\$ 5,506,191</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 3,838	\$ -	\$ 3,838	\$ 101,841
Accrued payroll and related liabilities	567,332	-	567,332	447,077
Incurred but not yet reported health claims	172,260	-	172,260	165,791
Other liabilities	1,350	-	1,350	1,350
<b>Total Current Liabilities</b>	<b>744,780</b>	<b>-</b>	<b>744,780</b>	<b>716,059</b>
Notes Payable - City of Nashua	755,000	-	755,000	755,000
<b>Total Liabilities</b>	<b>1,499,780</b>	<b>-</b>	<b>1,499,780</b>	<b>1,471,059</b>
<b>Net Assets:</b>				
<b>Without Donor Restrictions:</b>				
Undesignated	950,157	-	950,157	712,474
Board-designated	4,739,709	-	4,739,709	3,100,527
<b>With Donor Restrictions:</b>				
Time and purpose restricted	-	182,147	182,147	187,131
Perpetual endowment	-	35,000	35,000	35,000
<b>Total Net Assets</b>	<b>5,689,866</b>	<b>217,147</b>	<b>5,907,013</b>	<b>4,035,132</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,189,646</b>	<b>\$ 217,147</b>	<b>\$ 7,406,793</b>	<b>\$ 5,506,191</b>

The accompanying notes are an integral part of these financial statements.

## NASHUA CHILDREN'S HOME

Statement of Activities  
For the Year Ended June 30, 2021  
(with comparative totals for the year ended June 30, 2020)

	2021		2021 Total	2020 Total
	Without Donor Restrictions	With Donor Restrictions		
<b>SUPPORT AND REVENUE</b>				
Support:				
Contributions	\$ 523,730	\$ 95,914	\$ 619,644	\$ 432,006
Government grants	968,764	-	968,764	162,797
USDA reimbursement	96,010	-	96,010	64,871
Revenue:				
Board and care	4,039,103	-	4,039,103	3,296,960
School tuition	903,157	-	903,157	1,290,421
Investment income, net	962,182	3,335	965,517	90,225
Rental revenue	17,036	-	17,036	16,223
Other revenue	539	-	539	18,320
Net Assets Released From Restrictions	<u>104,233</u>	<u>(104,233)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	7,614,754	(4,984)	7,609,770	5,371,823
<b>EXPENSES</b>				
Program Services:				
Residential program	3,695,275	-	3,695,275	3,177,947
Educational program	940,559	-	940,559	820,669
Family program	-	-	-	25,879
Independent living	82,096	-	82,096	97,314
Transitional living	<u>98,100</u>	<u>-</u>	<u>98,100</u>	<u>98,800</u>
Total Program Services	4,816,030	-	4,816,030	4,220,609
Supporting services:				
General management	874,604	-	874,604	967,901
Fundraising	<u>47,255</u>	<u>-</u>	<u>47,255</u>	<u>68,573</u>
Total Supporting Services	<u>921,859</u>	<u>-</u>	<u>921,859</u>	<u>1,036,474</u>
Total Expenses	<u>5,737,889</u>	<u>-</u>	<u>5,737,889</u>	<u>5,257,083</u>
Change in Net Assets	1,876,865	(4,984)	1,871,881	114,740
Net Assets, Beginning of Year	<u>3,813,001</u>	<u>222,131</u>	<u>4,035,132</u>	<u>3,920,392</u>
Net Assets, End of Year	<u>\$ 5,689,866</u>	<u>\$ 217,147</u>	<u>\$ 5,907,013</u>	<u>\$ 4,035,132</u>

The accompanying notes are an integral part of these financial statements.

## NASHUA CHILDREN'S HOME

## Statement of Functional Expenses

For the Year Ended June 30, 2021

(with comparative totals for the year ended June 30, 2020)

	2021									
	Program Services					Supporting Services				
	Residential Program	Educational Program	Independent Living	Transitional Living	Total Program Services	General Management	Fundraising	Total Supporting Services	2021 Total	2020 Total
Personnel Expense:										
Salary and wages	\$ 2,167,147	\$ 572,249	\$ 50,926	\$ 63,134	\$ 2,853,456	\$ 564,130	\$ 28,574	\$ 592,704	\$ 3,446,160	\$ 3,113,796
Employee benefits	745,071	198,866	16,571	20,122	980,630	56,766	2,630	59,396	1,040,026	1,006,281
Payroll taxes	173,600	40,932	3,941	4,843	223,316	44,184	1,863	46,047	269,363	210,341
Professional fees	16,319	15,710	36	44	32,109	66,451	-	66,451	98,560	100,687
Development and training	4,039	-	7	-	4,046	375	-	375	4,421	5,135
Occupancy expenses	219,123	28,902	5,263	2,324	255,612	34,688	-	34,688	290,300	284,814
Supplies	14,661	13,825	207	722	29,415	26,163	-	26,163	55,578	57,023
Food	102,367	11,468	-	-	113,835	-	-	-	113,835	118,564
Equipment maintenance	6,731	1,800	146	183	8,860	1,831	-	1,831	10,691	13,132
Advertising	2,925	38	3	4	2,970	3,388	-	3,388	6,358	7,280
Printing	-	-	-	-	-	16,645	-	16,645	16,645	2,000
Telephone	21,161	5,930	511	628	28,230	6,381	-	6,381	34,611	23,693
Postage	3,024	823	66	82	3,995	1,305	-	1,305	5,300	5,661
Staff travel	780	-	-	-	780	252	-	252	1,032	5,874
Client transportation	5,345	-	-	-	5,345	-	-	-	5,345	10,727
Vehicle maintenance	6,735	877	73	89	7,774	3,593	-	3,593	11,367	13,640
Other	1,054	300	-	536	1,890	306	14,188	14,494	16,384	34,579
Assistance to Individuals:										
Clothing - residence	17,406	-	-	-	17,406	-	-	-	17,406	10,986
Hygiene - residence	2,831	-	-	-	2,831	-	-	-	2,831	2,806
Insurance	95,583	25,239	2,246	2,785	125,853	24,881	-	24,881	150,734	89,199
Depreciation	89,373	23,600	2,100	2,604	117,677	23,265	-	23,265	140,942	140,865
Total Expenses By Function	\$ 3,695,275	\$ 940,559	\$ 82,096	\$ 98,100	\$ 4,816,030	\$ 874,604	\$ 47,255	\$ 921,859	\$ 5,737,889	\$ 5,257,083

The accompanying notes are an integral part of these financial statements.

## NASHUA CHILDREN'S HOME

Statement of Cash Flows  
For the Year Ended June 30, 2021  
(with comparative totals for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,871,881	\$ 114,740
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	140,942	140,865
Realized (gains) losses	(282,568)	(11,925)
Unrealized (gains) losses	(642,234)	(44,902)
(Increase) Decrease In:		
Accounts receivable	(35,448)	(54,183)
Prepaid expenses	12,075	(5,602)
Increase (Decrease) In:		
Accounts payable	(98,003)	(10,622)
Accrued payroll and related liabilities	120,255	102,585
Incurred but not yet reported health claims	6,469	11,410
Other liabilities	-	(30,266)
Net Cash Provided By Operating Activities	<u>1,093,369</u>	<u>212,100</u>
Cash Flows From Investing Activities:		
Purchase of fixed assets	(65,187)	(86,157)
Proceed from sales of investments	1,497,030	1,095,811
Purchases of investments	<u>(2,215,746)</u>	<u>(1,029,210)</u>
Net Cash Used By Investing Activities	<u>(783,903)</u>	<u>(19,556)</u>
Net Change in Cash and Cash Equivalents	309,466	192,544
Cash and Cash Equivalents, Beginning of Year	<u>1,105,248</u>	<u>912,704</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,414,714</u>	<u>\$ 1,105,248</u>

The accompanying notes are an integral part of these financial statements.

## **NASHUA CHILDREN'S HOME**

### **Notes to Financial Statements For the Year Ended June 30, 2021**

#### **1. Organization**

Nashua Children's Home (the Organization) is a nonprofit organization established to provide residential care, educational, and family preservation services to Nashua area children who cannot live at home or attend public schools due to a variety of factors. The Organization impacts children's lives through three primary service areas:

##### ***Residential Program***

A comprehensive care and service program for New Hampshire children and families. The Residential Program offers a wide range of recreational and social activities on and off grounds. Children are encouraged to utilize the community's recreational and cultural resources.

##### ***Educational Program***

Provides services for students with educational disabilities between the ages of 7 and 15. The Educational Program is designed for students who cannot be appropriately educated in less intensive programs within the public schools. The Educational Program is certified by the New Hampshire State Department of Education.

##### ***Independent/Transitional Living Program***

Assists young adults in transitioning into self-sufficiency and prevents long-term dependency on the social service system. Housing is provided at a nominal rent, along with continuing staff support and guidance for young adults that have exited the child-protective or juvenile justice system.

#### **2. Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies used in preparing and presenting the accompanying financial statements.

##### ***Comparative Financial Information***

The accompanying 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 audited financial statements for the year ended June 30, 2020, from which the summarized information was derived.

***Cash and Cash Equivalents***

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for perpetual endowment or other long-term purposes are excluded from this definition.

***Accounts Receivable***

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. Management has determined that no allowance is necessary.

***Investments***

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses. Investments include equity securities of public companies which are carried at fair value based on quoted market prices.

***Property and Equipment***

Property and equipment additions over \$1,000 are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Assets not in service are not depreciated.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in fiscal years 2021 or 2020.

***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions.



***Net Assets Without Donor Restrictions***

Net assets available for use in general operations and not subject to donor (or certain grantor) imposed restrictions. The Board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

***Net Assets With Donor Restrictions***

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

***Revenue and Revenue Recognition***

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. Grant revenue from contributions that were initially conditional, which became unconditional with restrictions during the reporting period, and for which those restrictions were met during the reporting period, is reported as net assets without donor restriction.

Revenue derived from board and care is recognized when the performance obligation of providing the services is met. Board and care revenue is billed twice monthly after the services are provided.

The Organization recognizes revenue from tuition during the year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. Payment for tuition is required the month prior to the educational services provided. Amounts received in advance are deferred and are reported as contract liabilities until the performance obligation of providing those services has been met.

Rental income is recognized monthly when the performance obligation of providing space is satisfied.

***Donated Services and In-Kind Contributions***

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by Generally Accepted Accounting Principles. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated professional services are recorded at the respective fair values of the services received. Contributed goods are recorded at fair value at the date of donation and as expenses when placed in service or distributed. Donated use of facilities is reported as a contribution and as an expense at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the amount is reported as a contribution and an unconditional promise to give at the date of the gift, and the expense is reported over the term of use. No significant contributions of such goods or services were received during fiscal years 2021 and 2020.

***Advertising Costs***

Advertising costs are expensed as incurred and are reported in the Statement of Activities and Statement of Functional Expenses.

***Functional Allocation of Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. The majority of expenses are directly charged to the functional categories. The expenses that are allocated include salary and wages, employee benefits, payroll taxes, occupancy, depreciation, and insurance, which are allocated on the basis of estimates of time and effort. Costs related to food and other certain occupancy costs are allocated based on budgetarily approved best estimates.

***Income Taxes***

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for charitable contribution deductions, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition,

the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. In fiscal years 2021 and 2020, the Organization was not subject to unrelated business income tax and did not file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

***Estimates***

The preparation of financial statements in conformity with Generally Accepted Accounting Principles 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. Accordingly, actual results may differ from those estimates.

***Financial Instruments and Credit Risk***

Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board of Directors believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

***Fair Value Measurements and Disclosures***

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

#### ***New Accounting Standards to be Adopted in the Future***

##### ***Contributed Nonfinancial Assets***

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. Examples of contributed nonfinancial assets include fixed assets such as land, buildings, and equipment; the use of fixed assets or utilities; materials and supplies, such as food, clothing, or pharmaceuticals; intangible assets; and recognized contributed services. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the Statement of Activities, apart from contributions of cash or other financial assets. It also requires certain disclosures for each category of contributed nonfinancial assets recognized. The amendments in this ASU should be applied on a retrospective basis and will be effective for the Organization for the year ending June 30, 2022. Early adoption is permitted. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

##### ***Leases***

In February 2016, the FASB issued ASU 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right of use asset and lease liability on the Statement of Financial Position at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the Statement of Activities. This ASU will be effective for the Organization for the year ending June 30, 2023. The

Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

#### *Credit Losses*

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. The ASU requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the Statement of Activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This ASU will be effective for the Organization for the year ending June 30, 2024. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

### 3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position, are comprised of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,414,714	\$ 1,105,248
Accounts receivable	251,214	215,766
Investments	<u>4,792,928</u>	<u>3,150,411</u>
Total financial assets	6,458,856	4,471,425
Less amounts not available to be used within one year:		
Board-designated endowment	(4,739,709)	(3,100,527)
Net assets with donor restrictions:		
Perpetual endowment - held in investments	(35,000)	(35,000)
Time and purpose restrictions not expected to be met in less than one year	<u>(34,649)</u>	<u>(46,266)</u>
Total financial assets available within one year	1,649,498	1,289,632
Additional liquidity resources:		
Bank line of credit	<u>250,000</u>	<u>250,000</u>
Total financial assets and liquidity resources available within one year	\$ <u>1,899,498</u>	\$ <u>1,539,632</u>

Endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. The portion of endowment funds that are perpetual in nature are not available for general expenditure.

Board-designated endowment is subject to an annual spending rate as determined by the Board of Directors. Although there is no intention to spend from the board-designated endowment (other than amounts appropriated for general expenditure as

part of the Board's annual budget approval and appropriation) these amounts could be made available if necessary.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

#### 4. Accounts Receivable

Accounts receivable consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Board and care	\$ 234,896	\$ 178,733
School tuition	1,024	37,033
Transitional living rent	1,527	
Other	13,767	
Total	<u>\$ 251,214</u>	<u>\$ 215,766</u>

#### 5. Investments

##### *Investment Composition*

Investments, measured at fair value on a recurring basis, consist of the following at June 30, 2021:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 2,165,949	\$ -	\$ -	\$ 2,165,949
U.S. Common stocks	1,241,079	-	-	1,241,079
Money market funds	457,013	-	-	457,013
Exchange-traded funds	928,887	-	-	928,887
Total	<u>\$ 4,792,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,792,928</u>

Investments, measured at fair value on a recurring basis, consist of the following at June 30, 2020:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 897,865	\$ -	\$ -	\$ 897,865
U.S. Government securities	-	39,638	-	39,638
U.S. Corporate bonds	-	168,609	-	168,609
U.S. Common stocks	855,476	-	-	855,476
Money market funds	326,728	-	-	326,728
Exchange-traded funds	862,095	-	-	862,095
Total	\$ 2,942,164	\$ 208,247	\$ -	\$ 3,150,411

Unrealized gains and (losses) recognized during fiscal years 2021 and 2020 on equity securities totaled \$642,234 and \$44,902, respectively.

#### ***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Organization's investments to interest rate fluctuations as of June 30, 2021 is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>N/A</u>
Mutual funds	\$ 2,165,949	\$ -	\$ -	\$ -	\$ 2,165,949
U.S. Common stocks	1,241,079	-	-	-	1,241,079
Money market funds	457,013	-	-	-	457,013
Exchange-traded funds	928,887	-	-	-	928,887
Total	\$ 4,792,928	\$ -	\$ -	\$ -	\$ 4,792,928

Information about the sensitivity of the fair values of the Organization's investments to interest rate fluctuations as of June 30, 2020 is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>N/A</u>
Mutual funds	\$ 897,865	\$ -	\$ -	\$ -	\$ 897,865
U.S. Government securities	39,638	-	39,638	-	-
U.S. Corporate bonds	168,609	56,907	111,702	-	-
U.S. Common stocks	855,476	-	-	-	855,476
Money market funds	326,728	-	-	-	326,728
Exchange-traded funds	862,095	-	-	-	862,095
Total	\$ 3,150,411	\$ 56,907	\$ 151,340	\$ -	\$ 2,942,164

**Concentration of Risk**

The Organization's investment policy states that not more than 5% of the investments portfolio may be invested in equity securities of any one company, nor the total securities position (debt and equity) in any one company to exceed 10% of the portfolio. The maximum amount invested in the securities of issuers in the same industry shall not be more than 25% of the portfolio. There were no concentrations of risk for the Organization as of June 30, 2021 and 2020.

**6. Property and Equipment**

Property and equipment is comprised of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land and land improvements	\$ 283,005	\$ 283,005
Buildings and improvements	3,591,406	3,561,590
Furniture, fixtures, and equipment	260,466	245,643
Vehicles	155,584	172,282
Construction in progress	<u>24,450</u>	<u>24,450</u>
Subtotal	4,314,911	4,286,970
Less accumulated depreciation	<u>(3,386,702)</u>	<u>(3,284,007)</u>
Total	<u>\$ 928,209</u>	<u>\$ 1,002,963</u>

Depreciation expense totaled \$140,942 and \$140,865 for the years ended June 30, 2021 and 2020, respectively.

**7. Self-Insurance**

The Organization self-insures against claims for employee health coverage. The Organization contracts with an insurance carrier for excess liability coverage and an insurance consultant for claims processing. At June 30, 2021 and 2020, the claims liability of \$172,260 and \$165,791, respectively, represents an estimate of claims incurred but unpaid at fiscal year-end, based on past historical costs and claims paid subsequent to fiscal year-end.

**8. Line of Credit**

The Organization has a line of credit with a bank that is secured by all assets of the Organization. The line is stated for maximum borrowings of \$250,000 with monthly payments of interest due at the bank's prime rate plus 0.5 percentage points. Principal is due



on demand. At June 30, 2021 and 2020, the Organization had no outstanding balance on the line of credit and did not draw on the line during the fiscal years 2021 and 2020.

**9. Notes Payable – City of Nashua**

The Organization has two notes payable totaling \$755,000 to the City of Nashua, New Hampshire under the HOME Investment Partnership Program and the Economic Development Initiative Program. These notes are secured by mortgages on the 123 Amherst Street property. No repayment is required for twenty years, as long as the Organization complies with certain restrictions contained in the loan agreement related to use of the property. At the end of the twenty-year period, these notes may be extended for an additional twenty-year term.

**10. Endowment**

***Types of Funds***

The Board of Directors of the Organization has interpreted the New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as perpetually restricted (a) the original value of the gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted is classified as purpose restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization's endowment consists of funds established either by donors (referred to as donor-restricted endowment funds) and/or by resources set aside by the Board of Directors to function as endowments (referred to as board-designated endowment funds). Donor-restricted endowment funds are further divided into those that provide a perpetual source of support for the Organization's activities (referred to as perpetual endowments) and those that are restricted by donors to investment for a specified term (referred to as term endowments). As required by Generally Accepted Accounting Principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

***Investment and Spending Policies***

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the

purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible.

The Organization's Board of Directors determines annually the amount of distribution each year based on the endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

#### ***Funds with Deficiencies***

Due to market conditions, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies at June 30, 2021 and 2020.

#### ***Changes in Endowment Net Assets***

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	Without	With Donor Restrictions			Total
	Donor				
	Restrictions				
	Board	Term	Perpetual	Total	Total
	Designated	Endowment	Endowment	With Donor	Endowment
				Restrictions	Net Assets
Endowment net assets, beginning of year	\$ 3,100,527	\$ 14,884	\$ 35,000	\$ 49,884	\$ 3,150,411
Contributions	-	-	-	-	-
Investment income, net	962,182	3,335	-	3,335	965,517
Transfer to operations	677,000	-	-	-	677,000
Endowment net assets, end of year	\$ 4,739,709	\$ 18,219	\$ 35,000	\$ 53,219	\$ 4,792,928

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions			Total Endowment Net Assets
	Board Designated	Term Endowment	Perpetual Endowment	Total With Donor Restrictions	
Endowment net assets, beginning of year	\$ 3,110,053	\$ 15,133	\$ 35,000	\$ 50,133	\$ 3,160,186
Contributions					
Investment income, net	90,474	(249)	-	(249)	90,225
Transfer to operations	(100,000)	-	-	-	(100,000)
Endowment net assets, end of year	\$ 3,100,527	\$ 14,884	\$ 35,000	\$ 49,884	\$ 3,150,411

## 11. Net Assets

### *Board-Designated Net Assets*

Net assets without donor restrictions, which the Board of Directors has placed self-imposed limits on, are comprised of an endowment fund.

### *Net Asset with Donor Restrictions*

Net assets with donor restrictions are comprised of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Christmas gifts	\$ 1,808	\$ 1,798
Transitional Living Program scholarships	48,099	48,099
Secondary education scholarships (endowment)	18,219	14,884
Special education services	100	-
Summer camp tuition	52,065	51,957
Winter boots and coats	1,500	1,500
Subject to the passage of time:		
Independent Living Program	60,356	68,893
Total time and purpose restricted	182,147	187,131
Perpetual endowment	35,000	35,000
Total	\$ 217,147	\$ 222,131

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Christmas gifts	\$ 30,340	\$ 13,309
Transitional Living Program Scholarships	-	1,901
Kitchen renovations	-	520
Special education services	-	5,000
Beautification project	-	285
Carnival day	5,000	-
Winter boots and coats	-	10,000
Subject to the passage of time:		
Independent Living Program	<u>68,893</u>	<u>62,898</u>
Total	<u>\$ 104,233</u>	<u>\$ 93,913</u>

## 12. Contributions

Contributions received in fiscal years 2021 and 2020 are comprised of the following:

	<u>2021</u>	<u>2020</u>
Unrestricted contributions	\$ 523,730	\$ 354,528
Restricted for:		
Independent Living Program	60,356	68,893
Christmas gifts	30,350	1,800
Special education services	100	-
Summer camp tuition	108	5,000
Beautification project	-	285
Carnival day	5,000	-
Winter boots and coats	-	1,500
Total	<u>\$ 619,644</u>	<u>\$ 432,006</u>

## 13. Retirement Plan

All full-time employees may contribute up to 20% of gross wages to a 403(b) plan beginning on the first day of the month following the date of hire. The Organization is not required to contribute to this plan. In fiscal years 2021 and 2020, the Organization did not contribute to the 403(b) retirement plan.

**14. Concentration of Risk**

A material part of the Organization's revenue is dependent upon government sources, the loss of which would have a materially adverse effect on the Organization. During the years ended June 30, 2021 and 2020, funding from the State of New Hampshire accounted for 63% and 63%, respectively, of total revenues.

**15. Commitments and Contingencies**

***COVID-19***

The COVID-19 outbreak in the United States has resulted in economic uncertainties. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on those we serve, our funders, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.



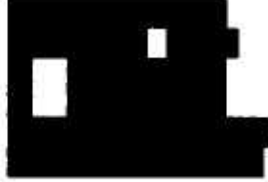



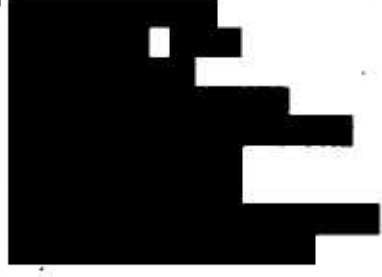
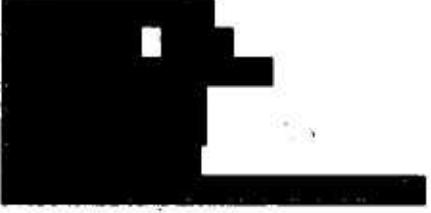




***Grants***

Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's Uniform Guidance, and review by grantor agencies. This review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

**16. Subsequent Events**

Subsequent events have been evaluated through December 17, 2021, which is the date the financial statements were available to be issued.

**BOARD OF DIRECTORS  
NASHUA CHILDREN'S HOME  
2022-2023**

<p>Atty. Tricia L. Albert</p>  <p>10/22/19:</p>  <p><b><u>PRESIDENT</u></b></p> <p>Attorney 2000</p>	<p>Bob Black</p>  <p>Sales 2008</p>	<p>Diane L. Bourque</p>  <p><b><u>TREASURER</u></b></p> <p>Treasurer</p>
<p>Bill Dwyer</p>  <p>Business 2008</p>	<p>Kathleen Martin</p>  <p>Administration 2005</p>	<p>Jonelle Rexenes</p>  <p><b><u>SECRETARY</u></b></p> <p>Printing 2008</p>
<p>Atty. Peter Tamposi</p>  <p>Attorney 1999</p>	<p>David Villiotti</p>  <p>Executive Director</p>	<p>Oscar Villacis</p>  <p>Media 2022</p>
<p>Brian Mackey</p>  <p>Security 2022</p>	<p>Jessica Deschenes</p>  <p>Education 2022</p>	

DAVID VILLIOTTI



DVILLIOTTI@nashuachildrenshome.org

- EDUCATION** *Certified Instructor, "Nonviolent Physical Crisis Intervention," National Crisis Prevention Institute, Milwaukee, WI. October, 1984.*  
*Master of Science Degree in Human Service Administration, Southern New Hampshire University, Manchester, NH. September, 1983.*  
*Bachelor of Arts Degree in Psychology, Lebanon Valley College, Annville, PA. August, 1976.*
- EMPLOYMENT**
- September 1985 - Present  
**NASHUA CHILDREN'S HOME, Nashua, NH.**  
Position: Executive Director  
Appointed by and accountable to the Board of Directors. Administratively responsible for the establishment, monitoring and evaluation of all program and financial systems. Programming includes, Residential, Educational and Family Outreach programs. Appointment and supervision of administrative staff in relation to these programs. Coordination of all fund raising and public relations functions.
- January 2011- May 2011  
**NASHUA COMMUNITY COLLEGE, Nashua, NH**  
Position: Adjunct Professor  
Taught the 3-credit course, "Management of Non-Profit Organizations," (BUS175), a joint venture of the Business and Human Services Departments
- September 1979 - September 1985  
**ST. ANN'S HOME, Methuen, MA.**  
Position: Behavioral Supervisor/Residential Supervisor  
Administrative representative of the directors of education and residence, respectively. Supervision of all residential and educational staff. Coordination of agency programming and resources. Formulation of program policies. Over see implementation of all policies and procedures. Recruitment/hiring of staff.
- December 1977- August 1979  
**TIMBER RIDGE (LEARY EDUCATIONAL FNDN.), Winchester, VA.** Position: Unit Director  
Supervision of unit staff. Responsible for residential, educational and vocational programming for the unit. Maintained all parental and inter-agency contacts.
- December 1976- August 1977  
**PRESSLEY RIDGE SCHOOL, Pittsburgh, PA.**  
Position: Residential and Liaison Counselor  
Responsible for residential programming for various units. Counseling responsibilities with individuals and groups. Liaison functions with parents and related agencies.
- OTHER**  
Guardian ad Litem Board, appointed by Governor, Concord, NH (2012-Present)  
Consultant, Carolinas Project, Duke Endowment, Charlotte, NC/ Albert E. Trieschman Center, Needham, MA / (1995-1998)  
Chair, State Advisory Group on Juvenile Justice (1994 - 1995)  
President, New Hampshire Group Home Association (1987-88)  
Advisory Board, Anna Philbrook Center for Children and Youth (1986-87)
- PUBLISHED WORKS** *"Not In My Backyard: Preserving Children's Rights In the Face of Discrimination," Residential Treatment for Children and Youth and Managing the Residential Treatment Center in Troubled Times, The Howorth Press, Inc., 1994.*  
*"Embracing the Chaos: Moving from Child-Centered to Family-Centered", Residential Treatment for Children and Youth, The Howorth Press, Inc., 1995.*
- REFERENCES** Available upon request.

DANIELE FERREIRA



[dferreira@nashuachildrenshome.org](mailto:dferreira@nashuachildrenshome.org)

**Objective:** Leadership position in social services agency utilizing my breadth of experience and abundant talents creatively, organizationally and relationally.

**Education:** Bachelor Art, Psychology  
Southern New Hampshire University, Manchester, NH  
October 2007

**Major:** Psychology **Minor:** Sociology

**Experience:** Nashua Children's Home, Nashua, NH, September 2007-Present  
January 2020-Present (Recruitment, Training & Recreation Coordinator)

-Responsible for all aspects of staff recruitment and training, inclusive of advertising, contacting applicants, interviewing, hiring and training.

-Coordinates all aspects of recreational programming for residential treatment facility serving 46 at-risk youth.

-Responsible for individualized programming for children as well. Coordinates holiday programming. Responsible for management of agency's social media page.

May 2009-December 2019 (Residential Supervisor: Younger Girls Unit)

-Responsible for all aspects of care and programming for residence of 12 latency-aged at-risk girls.

-Responsible for administrative functions, preparation of treatment summaries, liaison with parents and collateral agencies.

-Responsible for supervision of up to eight residential counselors, including the preparation of annual evaluations.

September 2007-May 2008 (Residential Counselor: Younger Girls Unit)

-Responsible for implementation of daily routine, activities programming and behavioral support for unit of 12 latency-aged girls.



Key Personnel	Position	Total Salary	Amount paid by Contract
David Villiotti	Executive Director	\$145,034.24	2.4% - \$3,480.82
Daniele Ferriera	Recruitment, Training & Recreational Coordinator	\$70,740.80	3% - \$2,122.23

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

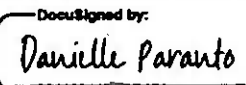
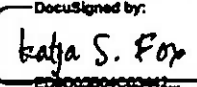
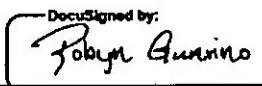
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> New Hampshire Department of Health and Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301-3857	
<b>1.3 Contractor Name</b> Orion House, Incorporated		<b>1.4 Contractor Address</b> 139 Elm Street, Newport, NH 03773	
<b>1.5 Contractor Phone Number</b> 603-863-4918	<b>1.6 Account Number</b> 10-20530000-102-500731	<b>1.7 Completion Date</b> 6/30/2023	<b>1.8 Price Limitation</b> \$1,700,000
<b>1.9 Contracting Officer for State Agency</b> Robert W. Moore, Director		<b>1.10 State Agency Telephone Number</b> (603) 271-9631	
<b>1.11 Contractor Signature</b> DocuSigned by:  Date: 10/10/2022		<b>1.12 Name and Title of Contractor Signatory</b> Danielle Paranto Executive Director	
<b>1.13 State Agency Signature</b> DocuSigned by:  Date: 10/11/2022		<b>1.14 Name and Title of State Agency Signatory</b> Katja S. Fox Director	
<b>1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b> By:  On: 10/11/2022			
<b>1.17 Approval by the Governor and Executive Council (if applicable)</b> G&C Item number: _____ G&C Meeting Date: _____			

Contractor Initials   
 Date 10/10/2022

**2. SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials DS  
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Date 10/10/2022

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omissions of the

Contractor Initials

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Date

10/10/2022

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**17. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

**18. CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

**19. CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract; for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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its Plan within five (5) days of notification of non-approval from the Department.

- 1.6. The Contractor must implement the Plan immediately upon notification of Department approval.
- 1.7. Reporting
  - 1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:
    - 1.7.1.1. Youth Served.
    - 1.7.1.2. Workforce, including, but not limited to:
      - 1.7.1.2.1. Total Staffing.
      - 1.7.1.2.2. Resignations.
      - 1.7.1.2.3. Vacant Positions.
      - 1.7.1.2.4. Offers.
  - 1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

- 2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.
- 2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.
- 2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

- 3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

- 3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

- 3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."
- 3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.
- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:
- 3.3.3.1. Brochures.
  - 3.3.3.2. Resource directories.
  - 3.3.3.3. Protocols or guidelines.
  - 3.3.3.4. Posters.
  - 3.3.3.5. Reports.
- 3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

- 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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

4.1. The Contractor must keep records that include, but are not limited to:

4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to dhhs.dbhinvoicesmhs@dhhs.nh.gov or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. The Contractor must email an annual audit to dhhs.act@dhhs.nh.gov if any of the following conditions exist:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must 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.

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must return to the Department all payments made under the Agreement to which exception has been taken, or which have been disallowed because of such an exception.

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New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT  
BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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Exhibit D

- i. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR Section 164.103.
- m. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. “Unsecured Protected Health Information” means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule:
- b. Business Associate may use or disclose PHI:
  - i. For the proper management and administration of the Business Associate;
  - ii. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - iii. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



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Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use, or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI





## New Hampshire Department of Health and Human Services

## Exhibit D

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
  - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
  - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
  - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
  - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
  - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
  - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

Department of Health and Human Services

Orion House Inc

The State

Name of the Contractor

DocuSigned by:

DocuSigned by:

*Katja S. Fox*

*Danielle Paranto*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Danielle Paranto

Name of Authorized Representative

Name of Authorized Representative

Director

Executive Director

Title of Authorized Representative

Title of Authorized Representative

10/11/2022

10/10/2022

Date

Date

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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Exhibit E

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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DHHS Information Security Requirements



- wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.
9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
  10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
  11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - 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.

DS  
DP

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

DS  
DP

New Hampshire Department of Health and Human Services  
Exhibit E  
DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

# 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 ORION HOUSE, INCORPORATED is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on January 10, 1978. 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: 66567

Certificate Number: 0005879445



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 5th day of October A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan  
Secretary of State

**CERTIFICATE OF AUTHORITY**

I, Heidi Patten, hereby certify that:

1. I am a duly elected Clerk/Secretary/Officer of Orion House

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on October 5, 2022, at which a quorum of the Directors/shareholders were present and voting.

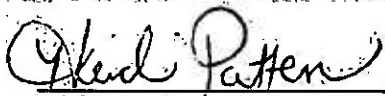
VOTED: That: Danielle Paranto, Executive Director

is duly authorized on behalf of Orion House to enter into contracts or agreements with the State

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: 10/5/22

  
Signature of Elected Officer  
Name: Heidi Patten  
Title: Board President



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/07/2022

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> McCrillis & Eldredge Insurance 2 North Main Street P. O. Box 539 Newport NH 03773	<b>CONTACT NAME</b> Beth Cothran <b>PHONE (A.C. No. Ext)</b> (603) 863-3636 <b>FAX (A.C. No)</b> (603) 863-5177 <b>E-MAIL ADDRESS</b> beth.cothran@crossagency.com														
<b>INSURED</b> Orion Prevention Information & Education Inc; Orion House 139 Elm Street Newport NH 03773	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A Berkley Regional Specialty Ins. Co.</td> <td></td> </tr> <tr> <td>INSURER B</td> <td></td> </tr> <tr> <td>INSURER C</td> <td></td> </tr> <tr> <td>INSURER D</td> <td></td> </tr> <tr> <td>INSURER E</td> <td></td> </tr> <tr> <td>INSURER F</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A Berkley Regional Specialty Ins. Co.		INSURER B		INSURER C		INSURER D		INSURER E		INSURER F	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A Berkley Regional Specialty Ins. Co.															
INSURER B															
INSURER C															
INSURER D															
INSURER E															
INSURER F															

**COVERAGES**                      **CERTIFICATE NUMBER:** CL2210712000                      **REVISION NUMBER:**

**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			HHS8586275	01/17/2022	01/17/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Professional Liability \$ 1,000,000
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE    OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

<b>CERTIFICATE HOLDER</b>  State of NH DHHS 129 Pleasant St  Concord NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	--







**MISSION STATEMENT**

The Orion House will embrace the strengths and acknowledge struggles as we join with youth to promote growth so that each may pursue personal wellbeing and independence.

2:32 PM  
09/27/22  
Accrual Basis

ORION HOUSE, INC  
Profit & Loss  
July 2021 through June 2022

	<u>Jul '21 - Jun 22</u>
Ordinary Income/Expense	
Income	
Grants	
441 · Title I	27,876.74
Total Grants	27,876.74
School Support	131,333.43
Orion House - R & B Income	12,490.30
401 · 401 Orion House - DCYF Income	523,366.38
411 · Orion House - Medicaid Income	354,054.04
413 · 413 Recoupment Account	1,625.43
433 · Donations	3,050.00
443 · Food Reimbursement USDA	45,550.74
460 · Interest Income	136.28
Total Income	1,099,483.34
Gross Profit	1,099,483.34
Expense	
740 Automobile Expenses	
741-742 Gasoline -	6,053.26
742 Staff Mileage/Tolls	16.00
743 Lease	6,000.00
744 · Repair & Maintenance	535.51
Total 740 Automobile Expenses	12,604.77
800 Miscellaneous Expense	0.00
Gen & Admin Expenses	
651 Office Supplies Admin/Res	
651 Computer Supplies	365.08
651 Misc Small Equip/Furn	1,037.99
651 Office Supplies Admin/Res - Other	4,112.49
Total 651 Office Supplies Admin/Res	5,515.56
670 Copier Lease	713.45
633 · Meetings/Conferences	0.00
700 · Advertising/ Recruitmen	957.33
770 · Dues & Fees	875.00
Total Gen & Admin Expenses	8,061.34
Professional Services	
622 - Client Treatment	6,648.00
623 · Accountant/Audit	4,200.00
624 · Legal Expense	270.00
625 · OPIE Management Services	53,490.09
Total Professional Services	64,608.09

2:32 PM

09/27/22

Accrual Basis

ORION HOUSE, INC

## Profit &amp; Loss

July 2021 through June 2022

	Jul '21 - Jun 22
Program Expenses	
652 Household Supplies	19,883.86
800 Miscellaneous Fees	393.90
Resident Expenses	
653 Education/Training	(100.00)
800 Allowances Residents	8,595.12
800 Independent Living Expense	153.04
800 Recreation/Field Trip	4,329.06
656 Medical Expenses	995.84
751 Clothes/BD/Residents	976.33
752 Personal Hygiene	220.00
Total Resident Expenses	15,169.39
634 Staff Development	2,380.39
655 Food	
655 Food Service	72.58
655 Food - Other	96,030.14
Total 655 Food	96,102.72
730 Postage/Shipping	350.99
Total Program Expenses	134,281.25
Property Services	
646 Taxes	2,500.00
647 Other Occupancy Cost	
647 - Computer Repair & Maint.	12,672.64
647 Maintenance Service	274.00
647 Waste Disposal	5,041.64
647 Water & Sewer	4,471.80
647 Other Occupancy Cost - Other	1,970.64
Total 647 Other Occupancy Cost	24,430.72
Repairs & Maintenance	
645 Building Maint. & Repair	1,910.76
645 General Maintenance	235.45
680 Equipment Maint. & Repair	490.86
680 Fire Alarm Repair-Contract	939.35
Total Repairs & Maintenance	3,576.42
Utilities	
643 Fuel Oil	
643 Propane Gas	1,828.33
643 Fuel Oil - Other	3,983.51
Total 643 Fuel Oil	5,811.84
644 Cable Bill	1,554.55
644 Electricity	9,943.09
Total Utilities	17,309.48

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09/27/22

Accrual Basis

## ORION HOUSE, INC

## Profit &amp; Loss

July 2021 through June 2022

	Jul '21 - Jun 22
641 · Lease/Rent Building	40,983.96
Total Property Services	88,800.58
Title I Expense	
Title I - Contract Service	58,317.25
Title I Salaries 601	8,834.61
Total Title I Expense	67,151.86
601 · Salaries/Program	
Salaries Program	673,001.03
Stipend Expenses	(5,303.46)
601 · Salaries/Program - Other	6,565.00
Total 601 · Salaries/Program	674,262.57
602 · Employee benefits	
401K	7,691.90
Dental Insurance	8,980.38
Health Insurance	98,573.66
Vacation Leave	(2,904.46)
Worker's Compensation	13,610.00
Worker's Compensation-Audit adj	484.00
Total 602 · Employee benefits	126,435.48
604 · Payroll Taxes	
FICA Employer Program	47,378.49
Medicare Employer Program	11,080.40
Unemployment Tax	7,518.61
Total 604 · Payroll Taxes	65,977.50
720 · Communication/Internet	
720 Telephone	4,581.25
Total 720 · Communication/Internet	4,581.25
760 · Insurance	
761 Umbrella	1,260.89
762 · Vehicle Insurance	1,147.39
763 · Comprehensive Prop & Liab	2,213.40
Total 760 · Insurance	4,621.68
Total Expense	1,251,386.37
Net Ordinary Income	(151,903.03)
Other Income/Expense	
Other Income	
DCYF Accreditation Grant Income	5,059.55

2:32 PM  
09/27/22  
Accrual Basis

ORION HOUSE, INC  
Profit & Loss  
July 2021 through June 2022

	<u>Jul '21 - Jun 22</u>
ODI - Contract Income	
ODI - Counseling	15,501.60
Total ODI - Contract Income	15,501.60
6545 - Granite Hill School - Lunches	116,498.66
Total Other Income	137,059.81
Other Expense	
DCYF Accreditation Grant	113.40
COVID-19 EXPENSES	380.76
Depreciation Expense	5,867.96
ODI Expense	
ODI - Benefits 602	100.92
ODI - Salary	80,740.48
Total ODI Expense	80,841.40
Total Other Expense	87,203.52
Net Other Income	49,856.29
Net Income	<u>(102,046.74)</u>

2:33 PM

09/27/22

Accrual Basis

ORION HOUSE, INC  
**Profit & Loss**  
 July through August 2022

	Jul - Aug 22
Ordinary Income/Expense	
Income	
Grants	
441 · Title I	7,949.52
Total Grants	7,949.52
School Support	3,852.00
401 · 401 Orion House - DCYF Income	70,153.68
411 · Orion House - Medicaid Income	46,180.87
413 · 413 Recoupment Account	198.97
433 · Donations	1,500.00
443 · Food Reimbursement USDA	9,603.97
460 · Interest Income	0.13
Total Income	139,439.14
Gross Profit	139,439.14
Expense	
740 Automobile Expenses	
741-742 Gasoline -	1,296.94
743 Lease	1,000.00
744 · Repair & Maintenance	752.04
Total 740 Automobile Expenses	3,048.98
Gen & Admin Expenses	
651 Office Supplies Admin/Res	243.08
633 · Meetings/Conferences	0.00
700 · Advertising/ Recruitmen	225.00
Total Gen & Admin Expenses	468.08
Professional Services	
625 · OPIE Management Services	6,928.19
Total Professional Services	6,928.19
Program Expenses	
652 Household Supplies	2,412.26
Resident Expenses	
800 Allowances Residents	2,353.75
800 Recreation/Field Trip	0.00
656 · Medical Expenses	64.71
751 · Clothes/BD/Residents	0.00
Total Resident Expenses	2,418.46
655 · Food	12,709.81
Total Program Expenses	17,540.53

2:33 PM  
09/27/22  
Accrual Basis

ORION HOUSE, INC  
Profit & Loss  
July through August 2022

	<u>Jul - Aug 22</u>
Property Services	
647 Other Occupancy Cost	
647 - Computer Repair & Maint.	2,348.86
647 Waste Disposal	958.49
647 Other Occupancy Cost - Other	<u>642.32</u>
Total 647 Other Occupancy Cost	3,949.67
Repairs & Maintenance	
645 Building Maint. & Repair	28.33
680 Appliance Repair	111.89
680 Equipment Maint. & Repair	<u>83.00</u>
Total Repairs & Maintenance	223.22
Utilities	
643 Fuel Oil	
643 Propane Gas	285.90
643 Fuel Oil - Other	<u>619.90</u>
Total 643 Fuel Oil	905.80
644 Cable Bill	264.82
644 Electricity	<u>1,674.39</u>
Total Utilities	2,845.01
641 Lease/Rent Building	<u>6,830.66</u>
Total Property Services	13,848.56
Title I Expense	
Title I - Contract Service	10,960.97
Title I - Supplies 651	500.00
Title I Salaries 601	<u>2,795.80</u>
Total Title I Expense	14,256.77
601 Salaries/Program	
603 Temporary Staff (Not wages)	8,181.25
Salaries Program	94,105.16
601 Salaries/Program - Other	<u>2,452.83</u>
Total 601 Salaries/Program	104,739.24
602 Employee benefits	
401K	400.00
Dental Insurance	1,487.30
Health Insurance	19,024.78
Worker's Compensation	<u>2,278.00</u>
Total 602 Employee benefits	23,190.08

2:33 PM  
09/27/22  
Accrual Basis

ORION HOUSE, INC  
Profit & Loss  
July through August 2022

	<u>Jul - Aug 22</u>
604 · Payroll Taxes	
FICA Employer Program	6,956.41
Medicare Employer Program	1,626.94
Unemployment Tax	219.51
	<u>8,802.86</u>
Total 604 · Payroll Taxes	8,802.86
720 · Communication/Internet	
720 Telephone	782.92
	<u>782.92</u>
Total 720 · Communication/Internet	782.92
760 · Insurance	
761 Umbrella	676.86
762 · Vehicle Insurance	594.86
763 · Comprehensive Prop & Liab	1,179.58
	<u>2,451.30</u>
Total 760 · Insurance	2,451.30
Total Expense	<u>196,057.51</u>
Net Ordinary Income	(56,618.37)
Other Income/Expense	
Other Income	
Sirus Fun Camp Grant Income	30,519.75
ODI - Contract Income	
ODI - Counseling	2,583.60
	<u>2,583.60</u>
Total ODI - Contract Income	2,583.60
6545 · Granite Hill School - Lunches	5,653.18
	<u>5,653.18</u>
Total Other Income	38,756.53
Other Expense	
Grants-Camp Sirus Fun Expense	10,544.72
COVID-19 EXPENSES	0.00
Depreciation Expense	929.66
ODI Expense	
ODI - Salary	14,069.05
	<u>14,069.05</u>
Total ODI Expense	14,069.05
Total Other Expense	<u>25,543.43</u>
Net Other Income	13,213.10
Net Income	<u><u>(43,405.27)</u></u>



**BOARD OF DIRECTORS**  
**ORION HOUSE, INC**  
2022-2023

**PRESIDENT** : Heidi J. Patten  
Jeffrey Parker  
Sally Putonen  
John Ahman  
Suzanne Harvey

DANIELLE PARANTO  
[REDACTED]

**OBJECTIVE** | To work with youth focusing on helping them achieve their goals as they prepare to enter the next phase of their lives.

**EXPERIENCE** | **EXECUTIVE DIRECTOR** THE ORION HOUSE, INC., NEWPORT NH  
JUNE 2014 - PRESENT

**EXECUTIVE DIRECTOR/PRINCIPAL** GRANITE HILL SCHOOL, INC., NEWPORT NH  
JUNE 2005 - PRESENT

**BEHAVIORIST** GRANITE HILL SCHOOL, INC., NEWPORT NH  
JUNE 2000 – JUNE 2005

**EDUCATOR** GRANITE HILL SCHOOL, INC., NEWPORT NH  
JUNE 2000 – JUNE 2005

**RESIDENTIAL COUNSELOR** THE ORION HOUSE, INC., NEWPORT NH  
AUGUST 1997 - 2000

**EDUCATION** | **KEENE STATE COLLEGE**, KEENE NH.  
MASTERS OF EDUCATION 2004  
Certified Educational Leadership

**FRANKLIN PIERCE COLLEGE**, RINDGE NH  
BACHELOR OF SCIENCE 1994  
Major: Sociology Minor: Psychology  
Summa Cum Laude



# David J. Morris

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**Objective:** Showcase experience and skills

**Education:** M.Ed, School Counseling 88% completed

Plymouth State University Anticipated Graduation spring 2023

Bachelor of Arts, History

University of Rhode Island 1997 – 2002

- Completed 50 page senior project entitled "1600-2000: An Examination of Racism in the Boxing Ring."

**Work Experience**

- **Director of Residential Pike Campus 2020-Present**
- Provide guidance and vision to support for three residential sights.
- Physical management instructor
- Swim Safety Instructor
- Supervises program managers
- Hires new faculty
- Assists in quality assurance

**Other Position held with in the MPA system 2013 -2020**

- Program Manager Campton House
- Program Manager Plymouth house
- Program Manager Sub-Acute Depot
- Program Manager Sub-Acute Step
- Program Manager Hall Farm

**House Manager:** **Blackstone Valley Youth and Family Collaborative**

10/11/11 Pawtucket Rhode Island

- Supervise and manage the day to day operation of a four client home
- Works with several clients with a variety of special needs
- Provide Safety and Security to four clients
- CPR and First Aid Certified
- Handle with Care restraint certified
- Organized community service projects for special needs clients

**Child Care Worker:**

**Tahoe Turning Point**

9/2010-9/2011

South Lake Tahoe, CA

- Instructed an Adult Living Course at S. Lake Tahoe Community College
- Tutor and liaison for the Mount Tallac Continuation School
- Worked very closely with gang affiliated clients
- Organized and led an educational trip to Alcatraz
- Worked very closely with clients that have substance abuse issues
- Organized and led an overnight camping trip to Yosemite National Park

**Program Director:**

**Becket Family of Services**

11/6/06-8/1/10

Plymouth, New Hampshire

- Managed and directed the day to day operation of a 26 client group home.
- Four merit based promotions in two years
- Organized and designed a successful intramural basketball league
- Supervised 25 employees
- Authored numerous legal documents that are admissible in court
- Received letter of recommendation for superior performance
- Reliable attendance (three sick days in four years)

**Hobbies and Achievements**

- Cycled 73 miles around Lake Tahoe 2011
- Climbed Mount Washington 2010
- Has been to every U.S. State except four

# MELANIE GIOIOSO

**Skills:** Problem solving, Leadership/Mentoring, Enthusiastic, Confident, Strong willed.

## EXPERIENCE

**JULY 2017 – PRESENT**

**MILIEU COUNSELOR (NOW FAMILY AND RESIDENT WORKER), ORION HOUSE**

Responsible for assisting floor staff in crisis management, in the moment interventions, helping assist floor staff with management of the house, family counseling, assisting Clinical Coordinator with paper work duties, facilitating/helping with groups, offering staff support, individual counseling when needed, positive reinforcements in the milieu, and completing other duties as assigned.

**OCTOBER 2018 – FEBRUARY 2020**

**INTERIM TREATMENT COORDINATOR, ORION HOUSE**

Responsible for coordinating and writing of all Treatment Plans, 30 day Biopsychosocial Assessments, and Discharge Summaries and Monthly Reports. Acts as liaison/coordinator of resident's outpatient needs. Runs group therapy (Substance Awareness and Emotional Management Groups), individual therapy, assists with family counseling, and supports floor staff with crisis interventions. Collaborates with Program Director toward the synthesis of both clinically and behaviorally oriented services. Part of the Management Team. Supervisor of the Milieu Counselor.

**DECEMBER 2014 – JUNE 2017**

**SHIFT SUPERVISOR, NFI MIDWAY SHELTER**

Responsible for safety of all residents and staff, in charge of running the shift, part of the on call rotation, ensure all procedures/regulations were followed, passed medications, responsible for writing of incident reports, shift reports, and weekly reports. In charge of completing monthly supervision of Residential Counselors. Offered in the moment interventions, staff supports, and organized daily schedule and activities. Completed intakes and took referrals after hours.

## EDUCATION

**DECEMBER 2010**

**BA SOCIAL SCIENCES, SOUTHERN NEW HAMPSHIRE UNIVERSITY**

**MS CANDIDATE**

**MS ADDICTIONS COUNSELING, GRAND CANYON UNIVERSITY**



Not completed. Current GPA 3.98

## **CERTIFICATIONS**

- CBT Certified
- TBRI
- Working on DBT Certification
- Hand With Care
- Medication Management Certification
- First Aid and CPR

Nina L. Albano

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**Profile**

- Goal-oriented individual with strong leadership capabilities.
  - Organized, highly motivated, and detail-directed problem solver.
  - Proven ability to provide leadership to staff.
  - Proven ability to work within a wide-range of clinical situations.
- 

**Education**

LCMHC, State of New Hampshire, License number 667

M.S., Psychology, Cum Laude, New England College

B.A., Psychology, Cum Laude, New England College

Certification, Rape and Domestic Violence Counselor, Rape and Domestic Violence Coalition of New Hampshire

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**Employment**

- |   |                     |
|---|---------------------|
| <b>School Therapist, Granite Hill School</b>  | <i>2009-present</i> |
| <ul style="list-style-type: none"><li>• Provide individual and group counseling services to students</li></ul>  |                     |
| <b>Private Practice, Brookside Counseling</b>   | <i>2007-2013</i>    |
| <ul style="list-style-type: none"><li>• Provide counseling services in a private practice setting</li></ul>   |                     |
| <b>Program Director, Orion House, Inc.</b>  | <i>2003-2009</i>    |
| <ul style="list-style-type: none"><li>• Provide and oversee daily residential and therapeutic care for 16 adolescent males in an intermediate residential treatment facility.</li><li>• Provide direct supervision and management of all residential counselors.</li></ul>  |                     |
| <b>Treatment Coordinator, Orion House, Inc.</b>   | <i>2002-2003</i>    |
| <ul style="list-style-type: none"><li>• Provided individual and group therapy to adolescent males in a residential treatment facility. Assisted in the development of individualized treatment plans. Directed professional contact with families, courts and all involved in the residents individual cases.</li></ul> |                     |
| <b>Home Based Therapist</b>   | <i>2006-2008</i>    |
| <ul style="list-style-type: none"><li>• Provided in home counseling, case management and assessments for families.</li></ul>  |                     |
| <b>Counselor, Rape and Domestic Violence Coalition of New Hampshire</b>   | <i>1998-1999</i>    |
| <ul style="list-style-type: none"><li>• Completed rigorous training. Counselor for crisis-line. Offered unconditional respect, confidentiality, support and resources for domestic violence victims.</li></ul>  |                     |
| <b>Advocate Intern, Children's Alliance of New Hampshire</b>  | <i>1997-1997</i>    |
| <ul style="list-style-type: none"><li>• Directly appointed to represent the agency in numerous fundraisers and meetings. Worked with other agencies to organize a children's awareness march in Washington, D.C. Assisted in the processing data for the Kids Count Report.</li></ul>                                   |                     |
- 
- |   |                  |
|---|------------------|
| <b>Intern Assistant, Victim Services Committee for the Governor's Committee on Violence</b>   | <i>1996-1996</i> |
| <ul style="list-style-type: none"><li>• Completed projects and reviews of issues and programs associated with the impact of youth exposed to domestic violence.</li></ul> |                  |
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**Awards and Recognition**

2004-Employee of The Year at Orion House, Inc.

2004-Nominated for the award for outstanding community member in the service of children and their families at the DCYF conference.



Barbara Bishop



## EDUCATION

August 2020- Master's in Forensic Psychology, Southern NH University, Manchester, NH

September 1993- Master's in Business Administration, New Hampshire College Graduate School of Business, Manchester, NH (now Southern NH University)

December 1989- Bachelor of Arts Degree in Educational Psychology, Keene State College, Keene NH

## EXPERIENCE

August 2021- Current

*Orion House*

**Family and Resident Clinician-** responsible for therapeutic intervention with teenaged male adolescents including family and individual therapy as well as leading therapeutic groups. Tracking and writing treatment plans and ensure CARF certification stays current. Working with families to resolve issues and create and promote a positive parent child relationship. CANS certified.

April 2019- Current

*West Central Behavioral Health*

**Emergency Services Clinician-** responsible for a variety of responses to community members mental health crisis including assessment at both hospital and office based referrals to plan for potential hospitalization whether involuntary or voluntary, child risk assessments, community grief support counseling. Most recently overseeing the SAMHSA grant for Rapid Response for this community on a statewide basis. Training has included DBART, Trauma Informed Care, Substance Misuse, as well as many others.

March 2018- April 2019

*State of New Hampshire, DHHS, NHEP*

**Employment Counselor Specialist-** assists TANF recipients in barrier removal and finding stabilized employment or activities related to future employment such as training and education. Barrier removal includes activities such as addressing mental health, substance misuse, domestic or family violence, transportation and child care assistance.

2015- March, 2018

*State of New Hampshire, DHHS, DCYF*

**Child Protective Service Worker III-** assessment worker responsible for receiving screened in reports of abuse or neglect of children in a geographic area and performing investigative work to assess for safety and risk of children for abuse or neglect from caregivers. Core Academy graduate, May 2016.

2014-2015

*Southwestern Community Services*

**Program Manager- Workplace Success Coordinator** responsible for working with referrals of TANF population candidates to assist them with preparing for and pursuing work and educational programs to build their skill base to find employment. Duties include: assessment testing and monitoring, resume writing, skill building and management of volunteer responsibilities.

2012-2014

*HCRS, Springfield, Vermont*

**Residential Specialist-** providing guidance and assistance with daily living skills and community interaction for adults and children with pervasive, complex mental health diagnoses. This included being certified to administer and monitor medications and being trained in de-escalation techniques.

2009 to 2011

*Pathways of the River Valley, Claremont NH*

**Employee Resource Manager, Charlestown Area-** Supervisor of 20+ direct reports providing services to developmentally disabled adults in a variety of settings. Specific duties include, but not limited to: scheduling 24/7 coverage at three residential programs and one day out program, monthly supervisory meetings for all direct reports, interviewing/screening of direct support candidates, coordination and implementation of ongoing training for staff.

**HR Coordinator-** Responsible for a volume of activities for the HR department including: hiring/background screening of all candidates, orientation and training of new employees, coordination of information for payroll processing, worker's compensation handling from filing through follow up, employee benefits coordination and enrollment and employee relations for the organization.

2008-2009

*Structal Bridge/A division of Canam Steel Corporation, Claremont NH*

**HR Manager-** responsible for all HR functions for 100 + person plant location including, but not limited to: recruitment, candidate screening, staffing, Affirmative Action Plan writing, policy drafting and implementation, legal compliance, leaves of absence processing and approving, workers

compensation processing and safety compliance. Also responsible for representing the company at any state or federal compliance hearings with the DOL, Employment Security or other agencies.

2006- 2008

*The Home Depot- West Lebanon NH and Claremont NH*

**Store HR Manager-** responsible for all recruitment, interviewing, background screening and other hiring activities for all store staff. Additionally, responsible for all training activities, performance management and government compliance.

2001- 2006

*Girl Scouts of Swift Water Council- Bedford, NH*

**Director of HR-** responsible for the management of all HR functions for a nonprofit organization with a staff of 50+ employees and a seasonal staff of an additional 300 serving most of New Hampshire and Vermont. Included in responsibilities were, budget management, orientation, legal compliance, interface with information for payroll purposes, all benefits contracting and administration. Additionally, responsible for Crisis and Risk planning, management of all workers compensation issues, secondary insurances and employee safety compliance. Recruitment responsibilities included international recruitment of seasonal camp staff and all camp positions (i.e. nursing, kitchen staff etc.)

1988- 2001

*Osram Sylvania Inc-* various positions including **HR Generalist, Customer Service Supervisor and Marketing Services Representative.**

**Human Resources-** worked as part of a team of HR professionals for a plant of 1,000 of which 700 were manufacturing employees and the others were various professionals including engineers, sales and marketing and production professionals. Responsibilities included; benefits management, wage surveying, staffing for both hourly and salaried positions, assistance with managing time off and attendance, assistance with manufacturing safety program implementation and monitoring, policy writing and administration and all HR functions for the plant.

**Customer Service-** started as a **Customer Service Representative** handling major aftermarket automotive accounts which included: order entry, expediting shipments, warehouse distribution management, recipient of the Customer Service Rep of the Year annual award. Promoted to **Marketing Services Rep** and handled supervisory skills and worked on major project in coordination with our Marketing Department. These included: Customer Satisfaction Surveys (construction and administration) problem resolution with shipping and receiving of all products to key customers, handling complex accounts such as International Automotive (Toyota, Honda, Mitsubishi, etc), OEM Automotive (Ford, GM, Chrysler), Electronic and continued support of Aftermarket

Accounts. Also assisted with the implementation of Vendor Managed Inventory systems and EDI order systems. Promoted to **OEM/International Supervisor** of 16 direct and indirect reports within the department and at feeder locations including support of the forecasting of over 3000 different product types. Also, continued support of raw materials and shipping coordination and indirect support of raw materials vendor management. Responsible for annual reviews, feedback and training of direct reports to handle accounts efficiently.

Systems and Software Experience- include Windows and all office software programs- Microsoft Excel, Word, Publisher, Outlook, Access and PowerPoint as well as Lotus 123 and Lotus Notes. HRIS systems: Peoplesoft, ADP, Kronos, Selectrax, and Bridges. Also assisted with the development of new websites and updates to websites as needed.

**CONTRACTOR NAME**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Danielle Paranto	Executive Director	115,600	50%	57,800.
David Morris	Treatment Coordinator	65,000	100%	65,000
Melanie Gioioso	Director	56,450	100%	56,450.
Nina Albano	Prescribing Practitioner	79,125	6.55%	5,200.
Barbara Bishop	Family and Resident Worker	65,000	100%	65,000

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

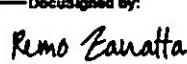
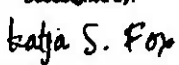
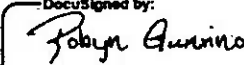
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**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 Pine Haven Boys Center		1.4 Contractor Address PO Box 162, Suncook, NH 03275	
1.5 Contractor Phone Number 603-485-7141	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 10/13/2022		1.12 Name and Title of Contractor Signatory Remo Zanatta Executive Director	
1.13 State Agency Signature DocuSigned by:  Date: 10/14/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 10/14/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

**2. SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.


6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials   
Date 10/13/2022

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omissions of the



Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A (*Workers' Compensation*).

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

---

its Plan within five (5) days of notification of non-approval from the Department.

- 1.6. The Contractor must implement the Plan immediately upon notification of Department approval.
- 1.7. Reporting
  - 1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:
    - 1.7.1.1. Youth Served.
    - 1.7.1.2. Workforce, including, but not limited to:
      - 1.7.1.2.1. Total Staffing.
      - 1.7.1.2.2. Resignations.
      - 1.7.1.2.3. Vacant Positions.
      - 1.7.1.2.4. Offers.
  - 1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

- 2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.
- 2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.
- 2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

- 3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

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

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

- 4.1. The Contractor must keep records that include, but are not limited to:
- 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
  - 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to dhhs.dbhinvoicesmhs@dhhs.nh.gov or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. The Contractor must email an annual audit to dhhs.act@dhhs.nh.gov if any of the following conditions exist:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must 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.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.



New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT  
BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated recordset" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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New Hampshire Department of Health and Human Services

Exhibit D

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



New Hampshire Department of Health and Human Services

Exhibit D


Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving <sup>PHI</sup> 



## New Hampshire Department of Health and Human Services

## Exhibit D

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
  - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
  - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
  - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
  - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
  - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
  - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Date



New Hampshire Department of Health and Human Services

Exhibit D

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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Date 10/13/2022



New Hampshire Department of Health and Human Services

Exhibit D

- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

Department of Health and Human Services

Pine Haven Boys Center

The State by:

Name of the Contractor

*Katja S. Fox*

*Remo Zanatta*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Remo Zanatta

Name of Authorized Representative

Name of Authorized Representative

Director

Executive Director

Title of Authorized Representative

Title of Authorized Representative

10/14/2022

10/13/2022

Date

Date

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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**New Hampshire Department of Health and Human Services**

**Exhibit E**

**DHHS Information Security Requirements**



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A, above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov



# 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 PINE HAVEN BOYS CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on September 26, 1969. 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: 64764

Certificate Number : 0005821733



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 5th day of July A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan", is written over a circular embossed seal.

David M. Scanlan  
Secretary of State

CERTIFICATE OF AUTHORITY

1. PETER VIAR, 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 PINE HAVEN BOYS CENTER INC.  
(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 OCT 12, 2022, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

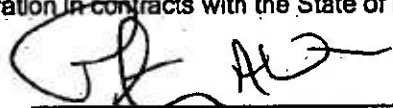
VOTED: That REMO ZANATTA / DIRECTOR (may list more than one person)  
(Name and Title of Contract Signatory)

Is duly authorized on behalf of PINE HAVEN BOYS CENTER INC 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: 10/13/2022

  
Signature of Elected Officer  
Name: Peter A. Viar  
Title: President BOD

# Certificate of Coverage

Date: 10/13/2022

**Certificate Holder**  
 Pine Haven Boys Center, Inc., Allenstown, NH  
 P.O. Box 162  
 Suncook, NH 03275

This Certificate is issued as a matter of information only and confers no rights upon the holder of this certificate. This certificate does not amend, extend or alter the coverage afforded below.

**Company Affording Coverage**  
 THE CATHOLIC MUTUAL RELIEF  
 SOCIETY OF AMERICA  
 10843 OLD MILL RD  
 OMAHA, NE 68154

**Covered Location**  
 PINE HAVEN BOYS CENTER INC  
 RIVER ROAD-ALLENSTOWN  
 P O BOX 162  
 SUNCOOK, NH 03275-0000

**Coverages**

This is to certify that the coverages listed below have been issued to the certificate holder named above for the certificate indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the coverage afforded described herein is subject to all the terms, exclusions and conditions of such coverage. Limits shown may have been reduced by paid claims.

Type of Coverage	Certificate Number	Coverage Effective Date	Coverage Expiration Date	Limits	
Property				Real & Personal Property	
D. General Liability <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made	8539	6/30/2022	6/30/2023	Each Occurrence	1,000,000
				General Aggregate	2,000,000
				Products-Comp/OP Agg	
				Personal & Adv Injury	
				Fire Damage (Any one fire)	
				Med Exp (Any one person)	
Excess Liability				Each Occurrence	
				Annual Aggregate	
Other Sexual Misconduct	8539	6/30/2022	6/30/2023	Each Occurrence	
				Claims Made	
				Annual Aggregate	3,000,000
				Limit/Coverage	

**Description of Operations/Locations/Vehicles/Special Items** (the following language supersedes any other language in this endorsement or the Certificate in conflict with this language)  
 Coverage verified for the Pine Haven Boys Home, for the term of the certificate.  
 Sexual Misconduct Coverage is verified for claims arising out of only Pine Haven Boys Home, its employees or volunteers, for the term of the certificate. Sexual Misconduct Coverage is on a claims made basis and is limited to \$3,000,000 annual aggregate.

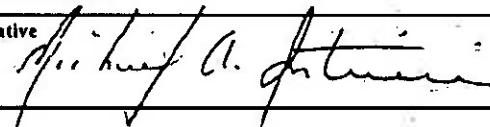
**Holder of Certificate**

**Cancellation**

State of New Hampshire  
 Department of Health and Human Services  
 129 Pleasant St.  
 Concord, NH 03301

Should any of the above described coverages be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the holder of certificate named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

Authorized Representative



0377000012



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/12/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 402-551-8765 C.M.G. Agency, Inc 10843 Old Mill Road Omaha, NE 68154	CONTACT NAME: C.M.G. Agency, Inc PHONE (AG, No, Ext): 402-551-8765 FAX (AG, No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE NAIC #
INSURED Pine Haven Boys Center, Inc. PO Box 162 Suncook, NH 03275	INSURER A: INSURER B: Church Mutual Insurance Company INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES                                      CERTIFICATE NUMBER:                                      REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INFO	SUBR INFO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPROP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	0321103-07-422514	06/30/2022	06/30/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 200,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Coverage verified for Pine Haven Boys Center, Inc. for the term of the certificate.

<b>CERTIFICATE HOLDER</b> State of New Hampshire Department of Health & Human Services 129 Pleasant St Concord, NH 03301	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE C.M.G. Agency, Inc.
--	---

***Mission Statement:*** Pine Haven is committed to providing children with positive experiences and success-oriented programs. The process is to identify appropriate behaviors: catching the child doing right. The ultimate goal is to have the youngster return to his family, school and community. When reunification is not the plan, Pine Haven is committed to promoting the optimal, possible level of involvement between the child and his family. Pine Haven honors the dignity, resources and strengths of families and is dedicated to involving them in all major decisions affecting their children.

**PINE HAVEN BOYS CENTER**

**FINANCIAL REPORT**

**JUNE 30, 2021 AND 2020**

**PINE HAVEN BOYS CENTER**

**FINANCIAL REPORT**

**JUNE 30, 2021 AND 2020**

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## PLODZIK & SANDERSON

*Professional Association/Accountants & Auditors*

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX- 603-224-1380

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Pine Haven Boys Center  
Allenstown, New Hampshire

We have audited the accompanying financial statements of Pine Haven Boys Center (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pine Haven Boys Center as of June 30, 2021 and 2020, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

January 28, 2022

*Plodzik & Sanderson  
Professional Association*



***FINANCIAL STATEMENTS***

**PINE HAVEN BOYS CENTER**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

ASSETS		
	2021	2020
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,202,853	\$ 2,013,562
Restricted cash and cash equivalents	318,491	323,402
Accounts receivable	420,323	272,918
Prepaid expenses	40,456	82,848
Total current assets	2,982,123	2,692,730
<b>PROPERTY AND EQUIPMENT</b>		
Building improvements	818,328	773,091
Furniture and fixtures	45,190	45,190
Office equipment	74,768	68,882
Equipment	169,679	169,679
Vehicles	95,332	95,332
	1,203,297	1,152,174
Less accumulated depreciation	974,058	937,438
Net book value - property and equipment	229,239	214,736
<b>TOTAL ASSETS</b>	<b>\$ 3,211,362</b>	<b>\$ 2,907,466</b>
LIABILITIES AND NET ASSETS		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 46,205	\$ 18,905
Accrued expenses	298,290	257,227
Total current liabilities	344,495	276,132
<b>NET ASSETS</b>		
Without donor restrictions		
Net investment in property and equipment	229,239	214,736
Board designated	1,000,000	1,000,000
Undesignated	1,319,137	1,093,196
	2,548,376	2,307,932
With donor restrictions	318,491	323,402
Total net assets	2,866,867	2,631,334
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,211,362</b>	<b>\$ 2,907,466</b>

The Notes to Financial Statements are an integral part of these statements.

**PINE HAVEN BOYS CENTER.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>OPERATING REVENUE</b>			
Board and care	\$ 2,154,710	\$ -	\$ 2,154,710
Tuition and registration	891,901	-	891,901
U.S. Department of Agriculture	42,260	-	42,260
Contributions	81,455	45,665	127,120
Total operating revenue	<u>3,170,326</u>	<u>45,665</u>	<u>3,215,991</u>
<b>OPERATING EXPENSES</b>			
Program services:			
Instruction	547,227	-	547,227
Board and care	1,998,948	-	1,998,948
Total program services	<u>2,546,175</u>	<u>-</u>	<u>2,546,175</u>
Supporting services:			
Administration	437,690	-	437,690
Total operating expenses	<u>2,983,865</u>	<u>-</u>	<u>2,983,865</u>
<b>INCREASE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	<u>186,461</u>	<u>45,665</u>	<u>232,126</u>
<b>NONOPERATING ACTIVITIES</b>			
Interest income	3,249	158	3,407
Loss on disposal of equipment	-	-	-
Total nonoperating expenses	<u>3,249</u>	<u>158</u>	<u>3,407</u>
<b>INCREASE IN NET ASSETS</b>	189,710	45,823	235,533
Net assets released from restrictions	50,576	(50,576)	-
<b>NET ASSETS - BEGINNING</b>	<u>2,307,932</u>	<u>323,402</u>	<u>2,631,334</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 2,548,218</u>	<u>\$ 318,649</u>	<u>\$ 2,866,867</u>

The Notes to Financial Statements are an integral part of this statement.

**PINE HAVEN BOYS CENTER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>OPERATING REVENUE</b>			
Board and care	\$ 2,020,200	\$ -	\$ 2,020,200
Tuition and registration	863,386	-	863,386
U.S. Department of Agriculture	38,621	-	38,621
Contributions	3,689	46,935	50,624
Total operating revenue	<u>2,925,896</u>	<u>46,935</u>	<u>2,972,831</u>
<b>OPERATING EXPENSES</b>			
Program services:			
Instruction	598,149	-	598,149
Board and care	1,718,904	-	1,718,904
Total program services	<u>2,317,053</u>	<u>-</u>	<u>2,317,053</u>
Supporting services:			
Administration	403,610	-	403,610
Total operating expenses	<u>2,720,663</u>	<u>-</u>	<u>2,720,663</u>
<b>INCREASE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	<u>205,233</u>	<u>46,935</u>	<u>252,168</u>
<b>NONOPERATING ACTIVITIES</b>			
Interest income	4,642	238	4,880
Loss on disposal of equipment	(743)	-	(743)
Total nonoperating activity	<u>3,899</u>	<u>238</u>	<u>4,137</u>
<b>INCREASE IN NET ASSETS</b>	209,132	47,173	256,305
Net assets released from restrictions	4,623	(4,623)	-
<b>NET ASSETS - BEGINNING</b>	<u>2,094,177</u>	<u>280,852</u>	<u>2,375,029</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 2,307,932</u>	<u>\$ 323,402</u>	<u>\$ 2,631,334</u>

The Notes to Financial Statements are an integral part of this statement.

**PINE HAVEN BOYS CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services		Total	Support Services	Total
	Instruction	Board and Care	Program Services	Administration	
<b>Personnel costs</b>					
Salaries and wages	\$ 295,741	\$ 1,437,332	\$ 1,733,073	\$ 317,538	\$ 2,050,611
Employee benefits	78,318	201,432	279,750	34,296	314,046
Temporary staff	-	-	-	-	-
Payroll taxes/workers' compensation insurance	31,030	135,785	166,815	19,030	185,845
<b>Professional fees and consultants</b>					
Client evaluations	4,284	-	4,284	-	4,284
Audit fees	-	-	-	12,226	12,226
Legal fees	-	-	-	13,189	13,189
Other professional fees/consultants	34,050	-	34,050	3,498	37,548
<b>Staff development and training</b>					
Journal and publications	97	-	97	-	97
Other staff development	28,987	3,279	32,266	1,132	33,398
<b>Occupancy costs</b>					
Heating costs	6,165	15,637	21,802	1,204	23,006
Other utilities	5,126	16,032	21,158	375	21,533
Maintenance and repairs	7,087	15,538	22,625	2,791	25,416
<b>Consumable supplies</b>					
Office	-	-	-	9,948	9,948
Building/household	7,289	21,091	28,380	-	28,380
Education/training	16,509	1,445	17,954	-	17,954
Food	-	52,583	52,583	-	52,583
Medical	-	8,430	8,430	-	8,430
Capital expenditures - depreciation	10,937	24,746	35,683	937	36,620
Equipment maintenance	3,690	3,507	7,197	4,051	11,248
Recreational supplies/expenses	-	9,961	9,961	-	9,961
Advertising	-	-	-	3,569	3,569
Printing	-	-	-	1,627	1,627
Telephone/communications	-	-	-	5,611	5,611
Postage/shipping	3,090	-	3,090	2,069	5,159
<b>Transportation</b>					
Vehicle leasing/maintenance/repairs	2,158	474	2,632	-	2,632
Clients/staff	-	2,024	2,024	-	2,024
<b>Assistance to students</b>					
Assistance to students	-	4,475	4,475	-	4,475
Clothing/hygiene	-	5,326	5,326	-	5,326
<b>Insurance</b>					
Vehicles	454	3,359	3,813	-	3,813
Comprehensive property/liability	11,862	21,013	32,875	1,017	33,892
Professional liability/bonding	-	15,047	15,047	3,386	18,433
<b>Membership dues</b>	353	432	785	46	831
<b>Fraud expense</b>				150	150
<b>Total</b>	<b>\$ 547,227</b>	<b>\$ 1,998,948</b>	<b>\$ 2,546,175</b>	<b>\$ 437,690</b>	<b>\$ 2,983,865</b>

The Notes to Financial Statements are an integral part of this statement.

**PINE HAVEN BOYS CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services		Total Program Services	Support Services Administration	Total
	Instruction	Board and Care			
<b>Personnel costs</b>					
Salaries and wages	\$ 384,274	\$ 1,171,364	\$ 1,555,638	\$ 226,738	\$ 1,782,376
Employee benefits	58,245	181,302	239,547	20,379	259,926
Temporary staff	-	-	-	16,591	16,591
Payroll taxes/workers' compensation insurance	35,762	107,037	142,799	10,317	153,116
<b>Professional fees and consultants</b>					
Client evaluations	1,500	-	1,500	-	1,500
Audit fees	-	-	-	7,782	7,782
Legal fees	-	-	-	28,149	28,149
Other professional fees/consultants	35,516	9,749	45,265	8,760	54,025
<b>Staff development and training</b>					
Journal and publications	646	204	850	159	1,009
Other staff development	1,021	8,774	9,795	1,518	11,313
<b>Occupancy costs</b>					
Heating costs	9,472	22,529	32,001	266	32,267
Other utilities	5,970	13,190	19,160	423	19,583
Maintenance and repairs	14,289	36,353	50,642	545	51,187
<b>Consumable supplies</b>					
Office	-	-	-	12,752	12,752
Building/household	15,175	27,838	43,013	-	43,013
Education/training	8,070	1,570	9,640	-	9,640
Food	-	54,989	54,989	-	54,989
Medical	92	5,945	6,037	-	6,037
Capital expenditures - depreciation	12,631	22,375	35,006	1,083	36,089
Equipment maintenance	3,690	7,212	10,902	2,238	13,140
Recreational supplies/expenses	-	13,503	13,503	-	13,503
Advertising	-	-	-	12,203	12,203
Printing	-	-	-	1,235	1,235
Telephone/communications	-	-	-	5,459	5,459
Postage/shipping	1,377	-	1,377	2,398	3,775
<b>Transportation</b>					
Vehicle leasing/maintenance/repairs	655	5,273	5,928	-	5,928
Clients/staff	-	5,060	5,060	-	5,060
<b>Assistance to students</b>					
Assistance to students	-	4,604	4,604	-	4,604
Clothing/hygiene	-	1,812	1,812	-	1,812
<b>Insurance</b>					
Vehicles	366	2,605	2,971	-	2,971
Comprehensive property/liability	9,098	16,116	25,214	895	26,109
Professional liability/bonding	-	(500)	(500)	1,409	909
<b>Membership dues</b>					
	300	-	300	-	300
<b>Fraud expense</b>					
	-	-	-	42,311	42,311
<b>Total</b>	<b>\$ 598,149</b>	<b>\$ 1,718,904</b>	<b>\$ 2,317,053</b>	<b>\$ 403,610</b>	<b>\$ 2,720,663</b>

The Notes to Financial Statements are an integral part of this statement.

**PINE HAVEN BOYS CENTER**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 235,533	\$ 256,305
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	36,620	36,089
Disposal of equipment	-	743
Changes in assets and liabilities:		
Increase (decrease) in accounts receivable	(147,405)	24,050
Decrease in claims receivable	-	326,176
Decrease in payroll taxes refundable	-	77,708
Decrease in prepaid expenses	42,392	2,010
Increase (decrease) in accounts payable	27,300	(24,610)
Increase in accrued expenses	41,063	8,293
Net cash provided by operating activities	<u>235,503</u>	<u>706,764</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(51,123)</u>	<u>(73,455)</u>
Net increase in cash and cash equivalents	184,380	633,309
Cash and cash equivalents:		
Beginning	<u>2,336,964</u>	<u>1,703,655</u>
Ending	<u>\$ 2,521,344</u>	<u>\$ 2,336,964</u>

The Notes to Financial Statements are an integral part of these statements.

**PINE HAVEN BOYS CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2021 AND 2020**  
**SEE INDEPENDENT AUDITOR'S REPORT**

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**PINE HAVEN BOYS CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2021 AND 2020**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***1-A Nature of Organization and Operations***

Pine Haven Boys Center ("The Center"), located in Allenstown, New Hampshire, is a voluntary not-for-profit corporation, incorporated under the laws of the State of New Hampshire (RSA 292) and organized exclusively for charitable and educational purposes.

The Center operates a non-sectarian, therapeutic intervention and educational program for boys 6 through 15, who are referred by social agencies, schools, families and courts. The Center's goal of treatment is to return youngsters to community life in as short a time as possible, with improved coping skills.

***1-B Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Under this method, revenues are recorded when earned and expenses are recorded in the accounting period in which the obligation is incurred.

***1-C Basis of Presentation***

The Center reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

**Without donor restrictions** – Net assets available to support the operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Center, the environment in which it operates, the purposes specified in its corporate documents and tax-exempt status, and any limits resulting from any contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has also designated, from net assets without donor restrictions, net assets for board-designated purposes.

**With donor restrictions** – Net assets that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

***1-D Use of 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 reported amounts and disclosures at the date of the financial statements and during the reporting period. Accordingly, actual results could differ from those estimates.

***1-E Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use, with an initial maturity of three months or less, to be cash equivalents.

***1-F Income Taxes***

The Center is a non-profit corporation determined to be exempt from Federal income tax under the Internal Revenue Code, Section 501(c)(3), and is not a private foundation within the meaning of Section 509(a). This code section enables the Center to accept donations which qualify as charitable contributions to the donor.

**PINE HAVEN BOYS CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
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***1-G Revenue Recognition***

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

***1-H Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged to each program based on direct expenses incurred or estimated usage.

***1-I Expense Allocation***

All direct and overhead expenses have been allocated to comply with the rate-setting guidelines provided by New Hampshire Department of Education and the Division for Children, Youth and Families, to which these statements and other financial documents and applications are submitted by the Center.

***1-J Property and Equipment***

Property and equipment are recorded at cost when purchased and fair market value when donated. It is the Center's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are generally expensed. Depreciation is calculated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building improvements	10 - 20
Vehicles and equipment	5 - 15
Furniture and fixtures	5 - 7

***1-K Advertising Costs***

The Center expenses advertising costs as incurred in accordance with the American Institute of Certified Public Accounts Statement of Position 93-7 "Reporting on Advertising Costs." Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2021 and 2020 was \$3,569 and \$12,203, respectively.

***1-L Accounting for Income Taxes***

The Center considers the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 740-10 *Accounting for Uncertainty in Income Taxes*. The purpose of this topic is to clarify whether non-profit organizations may include tax benefits from uncertain tax positions in their financial statements. The Center records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. The Center recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Center is no longer subject to U.S. federal and state informational return examinations by tax authorities for years before 2017. The Center has evaluated its tax positions and concludes that there are no tax positions it has taken which if challenged would result in a material effect on the financial statements.

**PINE HAVEN BOYS CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2021 AND 2020**  
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**NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS**

**2-A Revenue Recognition**

During the year ended June 30, 2020 the Center implemented Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU which is collectively Accounting Standards Codification 606 (ASC 606) which generally became effective for all private companies for year beginning after December 15, 2018. This guidance provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition does not apply to how contributions are recognized, as they are specifically scoped out of the new guidance. Analysis of this standard resulted in no changes in the way the Center recognized revenue, and as such no cumulative effect adjustment was recorded.

**2-B Recognition of Contributions**

During the year ended June 30, 2020, the Center implemented Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which generally became effective for all private companies for the years beginning after December 15, 2018. This guidance provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as non-exchange transactions. The Center evaluated the applicability of ASU 2018-08 for the year beginning July 1, 2019 and adopted it using the modified retrospective method. Analysis of the provisions of this standard resulted in no significant changes in the way the Center recognized grants and contributions, and as such no cumulative effect adjustment was recorded.

**NOTE 3 – CASH AND EQUIVALENTS**

Included in the Center's cash and equivalents as of June 30, 2021 and 2020, are the following:

	<u>2021</u>	<u>2020</u>
Cash - without donor restrictions	\$ 2,202,853	\$ 2,013,562
Cash - with donor restrictions	318,491	323,402
	<u>\$ 2,521,344</u>	<u>\$ 2,336,964</u>

**NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Center structures its financial assets, consisting of cash and receivables to be available as its general expenditures, liabilities, and obligations come due within one year. The Center receives cash flows mainly from tuition, room and board, and contributions. Financial assets available for general expenditure within one year of the statement of financial position date are comprised of the following at June 30, 2021 and June 30, 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and equivalents	\$ 2,202,853	\$ 2,013,562
Accounts receivable	420,323	272,918
	<u>2,623,176</u>	<u>2,286,480</u>
Less amounts not available to be used within one year:		
Board designated amounts	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Financial assets at year-end available to meet cash needs for expenditure within one year	<u>\$ 1,623,176</u>	<u>\$ 1,286,480</u>

**NOTE 5 – CONCENTRATION OF RISK**

The Center maintains a majority of its cash balances in seven financial institutions located in Concord, New Hampshire. The June 30, 2021 and 2020 balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 and \$250,000, respectively. At June 30, 2021 and 2020, the Center's uninsured cash balances total \$91,747 and \$93,012, respectively.

**PINE HAVEN BOYS CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2021 AND 2020**  
**SEE INDEPENDENT AUDITOR'S REPORT**

**NOTE 6 - ACCRUED EXPENSES**

Accrued expenses are comprised of the following:

	<u>2021</u>	<u>2020</u>
Accrued payroll and taxes	\$ 145,676	\$ 125,093
Accrued vacation	98,365	79,975
Accrued earned time	52,521	50,431
Accrued retirement	1,728	1,728
	<u>\$ 298,290</u>	<u>\$ 257,227</u>

**NOTE 7 - CURRENT VULNERABILITY DUE TO CONCENTRATIONS**

The Center receives a substantial amount of its support from the New Hampshire Department of Health and Human Services, Division for Children, Youth, and Families in the form of board and care revenue, and from the New Hampshire Department of Education, for student instruction. It is reasonably possible that in the near term these contracts could cease, which would cause a severe impact on the Center and its ability to continue its operations in its present capacity. The Center does not expect that the support from these governmental agencies will be lost in the near term.

**NOTE 8 - DEFINED CONTRIBUTION RETIREMENT PLAN**

The Center has a defined contribution retirement plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code covering all employees who have attained the age of 21 with at least two consecutive years of service. The Center makes a contribution to the Plan each year equal to 5% of the eligible compensation of all participants. The Center's contributions to the Plan for the years ended June 30, 2021 and 2020 amounted to \$34,495 and \$41,812, respectively.

**NOTE 9 - LEASE COMMITMENTS**

**Operating Leases** - The Center entered into a one-year lease dated March 1, 2020 for facilities from the Order of St. Jerome Acemilian, Inc. (The Order), commencing July 1, 2020 through June 30, 2021, with an option to renew for eight (8) additional periods through June 30, 2029. The lease provides for minimum annual rent based upon the sum of the following components: a) an amount representing the total annual depreciation of buildings or improvements which the Order has constructed for use by the Center; and b) an amount representing the total annual interest on borrowings used by the Order to construct or improve the buildings for use by the Center. The Center is also responsible for the payment of taxes, insurance, repairs and maintenance and utilities incurred in connection with use of the property owned by the Order. Total rent expense in these financial statements under this lease amounts to \$-0- and \$-0- for the years ended June 30, 2021 and 2020, respectively.

The Center leased a copier machine at \$100 per month for 60 months, terminating January 2023. Lease expense was \$1,194 and \$1,194, respectively, for the years ended June 30, 2021 and 2020.

Future minimum lease payments under the leases as of June 30, 2021 are as follows:

2022	\$ 1,194
2023	597
	<u>\$ 1,791</u>

**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS**

The Center's net assets with donor restrictions are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Special projects	\$ 316,411	\$ 321,322
Winter recreation	2,080	2,080
	<u>\$ 318,491</u>	<u>\$ 323,402</u>

**PINE HAVEN BOYS CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2021 AND 2020**  
**SEE INDEPENDENT AUDITOR'S REPORT**

**NOTE 11 – BOARD DESIGNATED FUND**

In May 2014, the Board approved the establishment of a Board designated fund and transferred \$500,000 for capital improvement purposes and continues to transfer additional funds when available. As of June 30, 2021 and 2020, Board designated funds totaled \$1,000,000.

**NOTE 12 – SUPPORTING ORGANIZATION – PINE HAVEN BOYS CENTER FOUNDATION**

Pine Haven Boys Center Foundation is a qualified charitable foundation organized for the purpose of supporting Pine Haven Boys Center. Pine Haven Boys Center receives annual contributions from the Foundation which are temporarily restricted for special projects and therapeutic programs not covered by other funding sources. During the years ended June 30, 2021 and 2020, the Center received temporarily restricted supporting contributions from the Foundation in the amount of \$46,935 and \$48,884, respectively.

**NOTE 13 – FINANCIAL LOSS**

During March 2019, the Center discovered that it had suffered a financial loss due to employee embezzlement. The estimated loss related to this embezzlement, net of insurance claims and refunds is \$56,298. For the fiscal years ended June 30, 2021 and 2020, the Center has recorded fraud expenses of \$150 and \$42,311, respectively.

**NOTE 14 – COVID-19**

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects they will have on the Center cannot be reasonably estimated at this time.

**NOTE 15 - SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before the 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 estimate inherent in the process of preparing financial statements. Non-recognized 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 January 28, 2022, the date the financial statements were available to be issued and noted no events that have occurred that would require recognition or disclosure.



**PINE HAVEN BOYS CENTER BOARD OF DIRECTORS**

**OFFICERS**

**Peter Viar, President (Retired Salesman)**



**Father Remo Zanatta, Treasurer and Secretary (Executive Director) \*NON-VOTING MEMBER\***



**Mr. George Edwards, Vice President (New England Association of Schools and Colleges)**



**Ms. Maria McKenna (College Professor)**



**Ms. Sally Kelly (VP Communications, CCA Global)**



**Ryan Hayes**



**John Reagan (State Senator)**



**Carol Frekey-Harkness (Business Owner)**



**Barbara Griffin (State Representative)**



**John Malmberg (Attorney)**



**Stephen Fox,**





[REDACTED]  
Steve Fowler,

[REDACTED]  
Jennifer Kimball.

[REDACTED]

Father Remo Zanatta, CRS

**Professional Profile:**

- Master's Degree in Education – Rivier College, Nashua, NH (2001)
- Bachelor's Degree in Theology – Saint Anselm College, Rome, Italy (1997)
- Ordained Catholic priest – Italy (1998)

**Work Experience**

**Pine Haven Boys Center – Allenstown, NH**

April 2021 – October 2021 Transitional Director

Worked with Executive Director to transition into current Executive Director

May 2018 – April 2021 Assistant Executive Director

Managed daily operations of the residential center

1997- 2011 – Cottage Director

Managed Staff in Residential Housing unit

**Order of Clerics Regular of Somasca – Houston TX**

2017– Present – Major Superior

Formed two religious communities in the USA (Allenstown and Houston)

Admit to the profession the novices, as well as the religious of temporary vows to the renewal of their vows, and to solemn profession;

Admit the religious candidates to ministries and orders

2014 – 2018 – Vocational Director

Spiritual director at St. Mary Parish at

Texas A&M, College Station, TX

Louisiana State University, LA

Rice University, TX

University of Houston, TX

**Christ the King Catholic Church – Houston TX**

2011- 2014 - Parochial Vicar

Assist in pastoral duties for parish



## Matthew Willis's Resume

 View candidate

### Matthew Willis



Authorized to work in the US for any employer

#### Work Experience

##### Director of Internal Affairs and Career Development

Cheshire County Department of Corrections  
September 2009 to December 2020

- Responsible for overseeing the training department.
- Oversaw safety and security.
- Supervised payroll.
- Managed and monitored internal environment and made recommendations to prevent litigation.
- Responsible for overseeing hiring boards.
- Point of contact for Department of Corrections human resources.
- Oversaw the disciplinary system.
- Maintained, updated and enforced policy and procedures.
- Communicated with courts and other agencies to maintain strong relationships.
- Maintained strong support goals to provide tools to offenders and lower recidivism.
- Conducted all internal and external investigations.
- Ensured Compliance regarding local, state and federal laws.
- Provided leadership and mentoring to staff.
- Voting of the New Hampshire Association of Counties certification board.
- Attended Superintendent Affiliate and Commissioner meetings in the Superintendents absence.

##### Owner/Partner

Crossfire Paintball LLC  
October 2007 to July 2009

- Developed and implemented a business plan.
- Presented submittals to the planning board.
- Coordinated all construction and fit up of building.
- Responsible for accounts payable and receivable.
- Managed daily operations.
- Held largescale events.
- Successfully advertised with media outlets.
- Created and maintained operational budget.
- Interacted with state and local officials during formation and construction of indoor and outdoor facilities.
- Established and maintained working relationships with vendors and the community.

##### Vice President

Steenbeke and Sons Building Supply Inc  
May 1991 to August 2006

- Maintained a productive work environment for 125 employees.
- Managed 11 locations netting \$32,000,000 per year, netting a 4% increase per year.
- Effectively cut overhead while increasing revenues.
- Prepared and analyzed financial reports.
- Solved customer service issues.
- Maintained working budget for all goods and services

#### Education

**Bachelor's degree in Criminal Justice and Business Administration**  
Southern New Hampshire University  
2023

**Skills**

- Executive leadership
- Budget and finance
- Project management
- Customer service
- Microsoft Office
- Nonprofit operations
- Accounts Payable
- Budgeting
- Training & Development

**Awards**

**Commendation for Critical Event**  
2011

**Commendation for Valor**  
2013

**Metal of Valor**  
2019

**Assessments**

**Recruiting — Highly Proficient**  
March 2021

Managing the candidate sourcing and selection process  
Full results: Highly Proficient

**Management & leadership skills: Planning & execution — Expert**  
March 2021

Planning and managing resources to accomplish organizational goals  
Full results: Expert

Indeed Assessments provides skills tests that are not indicative of a license or certification, or continued development in any professional field.

**Additional Information**

Certified Corrections Officer  
Certified Building Materials Specialist  
CPR/First aid

Contractor Name  
Key Personnel

Name	Job Title	Salary Amount Paid from this Contract
REMO ZANATTA	EXECUTIVE DIRECTOR	\$ 0
MATTHEW WILLIS	DIRECTOR OF BUSINESS	\$ 0



Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

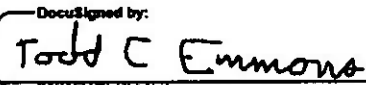
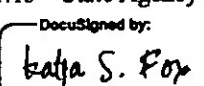
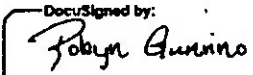
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> New Hampshire Department of Health and Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301-3857	
<b>1.3 Contractor Name</b> Spaulding Academy & Family Services		<b>1.4 Contractor Address</b> 72 Spaulding Road, Northfield, NH 03276	
<b>1.5 Contractor Phone Number</b> 603-286-8901	<b>1.6 Account Number</b> 10-20530000-102-500731	<b>1.7 Completion Date</b> 6/30/2023	<b>1.8 Price Limitation</b> \$1,700,000
<b>1.9 Contracting Officer for State Agency</b> Robert W. Moore, Director		<b>1.10 State Agency Telephone Number</b> (603) 271-9631	
<b>1.11 Contractor Signature</b> DocuSigned by:  Date: 10/11/2022		<b>1.12 Name and Title of Contractor Signatory</b> Todd Emmons <span style="float: right;">CEO</span>	
<b>1.13 State Agency Signature</b> DocuSigned by:  Date: 10/11/2022		<b>1.14 Name and Title of State Agency Signatory</b> Katja S. Fox <span style="float: right;">Director</span>	
<b>1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b> By:  On: 10/11/2022			
<b>1.17 Approval by the Governor and Executive Council (if applicable)</b> G&C Item number: _____ G&C Meeting Date: _____			

**2. SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omissions of the

Contractor Initials TE  
Date 10/11/2022

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**17. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

**18. CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

**19. CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials DS  
TE  
Date 10/11/2022

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract:
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

---

its Plan within five (5) days of notification of non-approval from the Department.

1.6. The Contractor must implement the Plan immediately upon notification of Department approval.

1.7. Reporting

1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:

1.7.1.1. Youth Served.

1.7.1.2. Workforce, including, but not limited to:

1.7.1.2.1. Total Staffing.

1.7.1.2.2. Resignations.

1.7.1.2.3. Vacant Positions.

1.7.1.2.4. Offers.

1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.

2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

3.3.3.1. Brochures.

3.3.3.2. Resource directories.

3.3.3.3. Protocols or guidelines.

3.3.3.4. Posters.

3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

4.1. The Contractor must keep records that include, but are not limited to:

4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

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EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must return to the Department all payments made under the Agreement to which exception has been taken, or which have been disallowed because of such an exception.

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Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT  
BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated recordset" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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- l. "Required by Law" shall have the same meaning as the term "required by law" in 45CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



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Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving



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## Exhibit D

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
  - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
  - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
  - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
  - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
  - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
  - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Date



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Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

<u>Department of Health and Human Services</u>	<u>Building Academy &amp; Family Services</u>
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The State  
Contracted by:

Katja S. Fox

Signature of Authorized Representative

Katja S. Fox

Name of Authorized Representative

Director

Title of Authorized Representative

10/11/2022

Date

Name of the Contractor  
Contracted by:

Todd C Emmons

Signature of Authorized Representative

Todd Emmons

Name of Authorized Representative

CEO

Title of Authorized Representative

10/11/2022

Date

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Date 10/11/2022

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

**B. Disposition**

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

**IV. PROCEDURES FOR SECURITY**

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - 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.

DS  
TE

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V: LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

DS  
TE

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

# 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 SPAULDING ACADEMY & FAMILY SERVICES is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on July 03, 1958. 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: 65524

Certificate Number: 0005879212



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 4th day of October A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan  
Secretary of State

**CERTIFICATE OF AUTHORITY**

I, Michael Ventura, 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 Spaulding Academy & Family 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 November 19, 2020, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

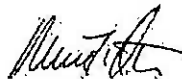
**VOTED:** That Todd Emmons, CEO (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of Spaulding Academy & Family 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: October 11, 2022

  
\_\_\_\_\_  
Signature of Elected Officer  
Name: Michael Ventura  
Title: Board of Director, Chair







## MISSION STATEMENT

*Spaulding Academy & Family Services supports exceptional children and families toward a successful future*

SPAULDING ACADEMY & FAMILY SERVICES

FINANCIAL REPORT

JUNE 30, 2022

PRELIMINARY

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PRELIMINARY

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Spaulding Academy & Family Services  
Northfield, New Hampshire

### *Opinion*

We have audited the accompanying financial statements of Spaulding Academy & Family Services, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Spaulding Academy & Family Services as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

**PRELIMINARY**

We conducted our audit in accordance with auditing standards applicable to entities in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spaulding Academy & Family Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Spaulding Academy & Family Services' ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Spaulding Academy & Family Services' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of 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 Spaulding Academy & Family Services' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Report on Summarized Comparative Information***

We have previously audited Spaulding Academy & Family Services' June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2021. In our opinion, the summarized information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Concord, New Hampshire

2022

## SPAULDING ACADEMY &amp; FAMILY SERVICES

STATEMENTS OF FINANCIAL POSITION  
June 30, 2022 and 2021

	ASSETS	
	2022	2021
<b>CURRENT ASSETS</b>		
Cash	\$ 6,589,076	\$ 2,568,573
Accounts receivable, net of allowance for doubtful accounts of \$20,000 for 2022 and 2021	2,980,666	2,705,179
Grants receivable	315,530	1,056
Contributions receivable	40,000	-
Prepaid expenses	174,125	88,435
Food inventory	16,187	10,904
<i>Total current assets</i>	<u>10,115,584</u>	<u>5,374,147</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	661,615	661,615
Buildings and improvements	12,137,227	12,006,580
Vehicles	860,752	697,068
Furniture, fixtures and equipment	3,547,413	3,493,237
Construction in progress	559,992	38,715
	<u>17,766,999</u>	<u>16,897,215</u>
Less accumulated depreciation	<u>9,694,462</u>	<u>9,051,579</u>
	<u>8,072,537</u>	<u>7,845,636</u>
<b>INVESTMENTS AND OTHER ASSETS</b>		
Investments	10,608,617	12,285,658
Beneficial interests in trusts	2,397,287	2,688,579
<i>Total assets</i>	<u>\$ 31,194,025</u>	<u>\$ 28,194,020</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	\$ 99,473	\$ 95,526
Accounts payable	353,396	142,285
Accrued expenses	895,613	801,243
<i>Total current liabilities</i>	<u>1,348,482</u>	<u>1,039,054</u>
Long-term debt, less current maturities	1,852,074	1,951,542
<i>Total liabilities</i>	<u>3,200,556</u>	<u>2,990,596</u>
<b>NET ASSETS</b>		
Without donor restrictions (Note 9)	24,050,710	20,801,614
With donor restrictions (Note 10)	3,942,759	4,401,810
<i>Total net assets</i>	<u>27,993,469</u>	<u>25,203,424</u>
<i>Total liabilities and net assets</i>	<u>\$ 31,194,025</u>	<u>\$ 28,194,020</u>

## SPAULDING ACADEMY &amp; FAMILY SERVICES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
Year Ended June 30, 2022 and Comparative Totals for Year Ended 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
<b>Revenue and support:</b>				
Tuition income	\$ 22,186,171	\$ -	\$ 22,186,171	\$ 14,532,315
Other student services	1,307,403	-	1,307,403	2,402,755
Community based programs	965,254	-	965,254	1,109,394
Other income	61,915	-	61,915	31,552
Contributions	891,361	91,965	983,326	195,752
Grant revenue	-	322,147	322,147	146,732
Long Term Care Stabilization Program	-	-	-	552,857
Endowment spending draw	330,000	59,037	389,037	344,554
Investment income from trusts	114,275	-	114,275	123,003
<i>Total revenue and support</i>	<u>25,856,379</u>	<u>473,149</u>	<u>26,329,528</u>	<u>19,438,914</u>
<b>Net assets released from restrictions:</b>				
For satisfaction of restrictions from endowment income	28,428	(28,428)	-	-
For satisfaction of program restrictions	353,217	(353,217)	-	-
	<u>381,645</u>	<u>(381,645)</u>	-	-
<i>Total revenue, support and net assets released from restrictions</i>	<u>26,238,024</u>	<u>91,504</u>	<u>26,329,528</u>	<u>19,438,914</u>
<b>Expenses:</b>				
<b>PRELIMINARY</b>				
Program services:				
Residential program	8,475,135	-	8,475,135	7,494,150
Academic program	6,620,320	-	6,620,320	6,493,217
Program support	2,990,406	-	2,990,406	2,188,188
Community based programs	1,207,034	-	1,207,034	1,134,253
<i>Total program expenses</i>	<u>19,292,895</u>	<u>-</u>	<u>19,292,895</u>	<u>17,309,808</u>
General and administrative	2,214,637	-	2,214,637	2,323,406
Fundraising	115,791	-	115,791	127,399
<i>Total expenses</i>	<u>21,623,323</u>	<u>-</u>	<u>21,623,323</u>	<u>19,760,613</u>
<i>Increase (decrease) in net assets from operating activities</i>	<u>4,614,701</u>	<u>91,504</u>	<u>4,706,205</u>	<u>(321,699)</u>
<b>Nonoperating activities:</b>				
Gain (loss) on disposal of assets and impairment of land development costs	500	-	500	(220,057)
Net realized and unrealized gains (losses), net of spending draw and investment fees	(1,645,765)	(291,587)	(1,937,352)	1,596,481
Interest and dividends	228,916	32,324	261,240	196,310
Change in value of beneficial interests in trusts	-	(291,292)	(291,292)	422,163
FFCRA Relief Funds	50,744	-	50,744	157,093
Paycheck Protection Program loan forgiveness	-	-	-	2,561,661
	<u>(1,365,605)</u>	<u>(550,555)</u>	<u>(1,916,160)</u>	<u>4,713,651</u>
<i>Increase (decrease) in net assets</i>	<u>3,249,096</u>	<u>(459,051)</u>	<u>2,790,045</u>	<u>4,391,952</u>
Net assets, beginning of year	20,801,614	4,401,810	25,203,424	20,811,472
<i>Net assets, end of year</i>	<u>\$ 24,050,710</u>	<u>\$ 3,942,759</u>	<u>\$ 27,993,469</u>	<u>\$ 25,203,424</u>



## SPAULDING ACADEMY &amp; FAMILY SERVICES

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022 and Comparative Totals for Year Ended June 30, 2021

	Residential Program	Academic Program	Program Support	Community Based Programs	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	2022	2021
<b>Personnel expenses:</b>										
Salaries and wages	\$ 4,943,395	\$ 4,052,714	\$ 2,148,397	\$ 694,600	\$ 11,839,106	\$ 959,065	\$ 75,141	\$ 1,034,206	\$ 12,873,312	\$ 11,724,868
Overtime wages	695,371	141,068	38,265	17,399	892,103	15,844	-	15,844	907,947	655,374
Employee benefits	1,088,403	863,218	304,544	140,387	2,396,552	322,473	9,580	332,053	2,728,605	2,309,394
Payroll taxes	414,270	310,604	160,489	52,827	938,190	70,508	5,169	75,677	1,013,867	904,128
Workers' compensation insurance	112,975	93,270	64,637	14,380	285,262	7,693	203	7,896	293,158	400,758
Other personnel expense	25,012	20,073	1,007	584	46,676	97,603	-	97,603	144,279	76,442
Employee recruitment	-	-	-	-	-	123,232	-	123,232	123,232	87,393
<b>Total personnel expenses</b>	<b>7,279,426</b>	<b>5,480,947</b>	<b>2,717,339</b>	<b>920,177</b>	<b>16,397,889</b>	<b>1,596,418</b>	<b>90,093</b>	<b>1,686,511</b>	<b>18,084,400</b>	<b>16,158,357</b>
<b>Program expenses:</b>										
Foster program	-	-	1,278	179,950	181,228	-	-	-	181,228	263,627
Consulting	4,387	9,183	35,850	-	49,420	-	-	-	49,420	29,134
Therapy and recreational supplies	913	7,348	6,169	319	14,749	-	-	-	14,749	12,450
Building and household supplies	7,387	19,187	3,324	4,058	119,756	-	-	-	119,456	99,252
Educational supplies	3,604	54,872	1,137	-	89,413	-	-	-	89,613	81,686
Food expense	165,457	58,420	-	-	234,877	-	-	-	234,877	212,372
Medical supplies	-	-	13,811	-	13,811	-	-	-	13,811	10,803
Clothing	18,570	-	-	51	14,321	-	-	-	14,321	12,192
Student transportation	14,702	1,953	1,330	10,275	28,260	-	-	-	28,260	12,349
Student program funds	61,803	-	-	340	62,143	-	-	-	62,143	55,622
Student activities	4,966	9,430	-	-	14,396	-	-	-	14,396	7,973
<b>Total program expenses</b>	<b>373,289</b>	<b>190,393</b>	<b>62,899</b>	<b>195,693</b>	<b>822,274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>822,274</b>	<b>797,460</b>
<b>Operating expenses:</b>										
Accounting and auditing fees	-	-	-	-	-	52,970	-	52,970	52,970	52,965
Legal fees and other professional services	2,637	4,249	9,552	1,146	17,584	120,743	13,645	134,388	151,972	315,920
Staff development	5,580	28,256	9,407	5,009	48,252	11,779	75	11,854	60,106	56,835
Staff travel and expenses	1,313	686	1,823	1,140	4,962	3,862	-	3,862	8,824	5,779
Office and computer supplies	6,786	14,528	7,909	2,662	31,885	14,564	61	14,625	46,510	40,702
Equipment maintenance and repairs	96,218	114,985	33,690	22,230	267,123	63,877	7,418	71,295	338,418	127,613
Telecommunications	16,083	13,834	7,028	9,959	46,904	8,004	-	8,004	54,908	49,051
Postage and shipping	-	-	-	-	-	4,446	-	4,446	4,446	6,863
Vehicle expenses	21,914	20,637	3,927	1,308	47,786	3,487	-	3,487	51,273	42,096
Property and liability insurance	69,147	65,530	12,642	4,355	151,674	84,956	-	84,956	236,630	207,849
Memberships	2,843	1,456	35	11	4,345	2,573	415	2,988	7,333	5,828
Interest expense	-	81,267	-	-	81,267	-	-	-	81,267	113,581
Equipment and furnishings	43,210	82,180	25,244	10,417	161,051	26,919	-	26,919	187,970	91,855
Board and committee responsibilities	-	-	-	-	-	2,608	-	2,608	2,608	3,622
Bank fees	-	-	-	-	-	2,906	340	3,246	3,246	5,593
<b>Total operating expenses</b>	<b>265,731</b>	<b>427,608</b>	<b>111,257</b>	<b>58,237</b>	<b>862,833</b>	<b>403,694</b>	<b>21,954</b>	<b>425,648</b>	<b>1,288,481</b>	<b>1,126,152</b>

See Notes to Financial Statements.

SPAULDING ACADEMY & FAMILY SERVICES

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

Year Ended June 30, 2022 and Comparative Totals for Year Ended June 30, 2021

	Residential Program	Academic Program	Program Support	Community Based Programs	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	2022	2021
<b>Occupancy expenses:</b>										
Heating costs	40,544	38,181	7,266	2,419	88,410	6,175	275	6,450	94,860	72,340
Other utilities	64,377	57,743	10,677	3,554	136,351	9,074	404	9,478	145,829	126,806
Maintenance and repairs	120,100	113,102	21,525	7,165	261,892	18,293	815	19,108	281,000	200,980
Property taxes	32,549	30,653	5,834	1,942	70,978	4,958	221	5,179	76,157	77,261
Other occupancy costs	22,588	21,272	4,048	1,348	49,256	3,441	153	3,594	52,850	329,403
<i>Total occupancy expenses</i>	<u>280,158</u>	<u>260,951</u>	<u>49,350</u>	<u>16,428</u>	<u>606,887</u>	<u>41,941</u>	<u>1,868</u>	<u>43,809</u>	<u>650,696</u>	<u>806,790</u>
<b>Other expenses:</b>										
Depreciation	276,531	260,421	49,561	16,499	603,012	42,120	1,876	43,996	647,008	621,158
Marketing expenses						130,464		130,464	130,464	230,696
Bad debt expense										20,000
<i>Total other expenses</i>	<u>276,531</u>	<u>260,421</u>	<u>49,561</u>	<u>16,499</u>	<u>603,012</u>	<u>172,584</u>	<u>1,876</u>	<u>174,460</u>	<u>777,472</u>	<u>871,854</u>
<b>Totals</b>	<u>\$ 8,075,135</u>	<u>\$ 6,620,320</u>	<u>\$ 2,990,406</u>	<u>\$ 1,207,034</u>	<u>\$ 19,292,895</u>	<u>\$ 2,214,637</u>	<u>\$ 335,791</u>	<u>\$ 2,330,421</u>	<u>\$ 21,623,323</u>	<u>\$ 19,760,613</u>

PRELIMINARY

## SPAULDING ACADEMY &amp; FAMILY SERVICES

STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 2,790,045	\$ 4,391,952
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	647,008	621,158
(Gain) loss on disposal of assets and impairment of land development costs	(500)	220,057
Net realized and unrealized (gain) loss on investments	1,548,315	(1,941,035)
Paycheck Protection Program loan forgiveness	-	(2,533,138)
Bad debt expense	-	20,000
(Increase) decrease in beneficial interests in trusts	291,292	(422,163)
Increase in accounts receivable	(275,487)	(382,678)
(Increase) decrease in grants receivable	(314,474)	66,751
Increase in contributions receivable	(40,000)	-
(Increase) decrease in prepaid expenses and food inventory	(90,973)	4,665
Increase (decrease) in accounts payable	211,111	(242,402)
Increase (decrease) in accrued expenses	94,370	(18,382)
	<u>860,707</u>	<u>(215,215)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(874,409)	(1,261,451)
Proceeds from sale of property and equipment	500	500
Proceeds from sale of investments	389,037	355,275
Purchase of investments	(259,811)	(192,911)
	<u>(744,683)</u>	<u>(1,098,587)</u>
<i>Net cash used in investing activities</i>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(95,521)	(91,729)
	<u>4,020,503</u>	<u>(1,405,531)</u>
<i>Net increase (decrease) in cash</i>		
Cash, beginning of year	2,568,573	3,974,104
	<u>\$ 6,589,076</u>	<u>\$ 2,568,573</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for:		
Interest expense	\$ 81,267	\$ 85,057

## SPAULDING ACADEMY & FAMILY SERVICES

### NOTES TO FINANCIAL STATEMENTS

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#### *Note 1. Nature of Activities*

Spaulding Academy & Family Services ("the Organization") is a voluntary not-for-profit corporation, incorporated under the laws of the State of New Hampshire. The Organization was established to provide high-quality therapeutic, educational, residential and foster care services for children with emotional and behavioral challenges and children with autism or other neurological impairments. The Organization also provides training to families and professional staff focusing on children's behavioral, emotional and educational challenges. The Organization was created as a result of the merger of the NH Orphans' Home, the Daniel Webster Home, and the Golden Rule Farm on November 6, 1958.

#### *Note 2. Significant Accounting Policies*

**Basis of accounting:** The financial statements of the Organization are prepared on the accrual basis; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Estimates and assumptions:** Management uses estimates and assumptions, such as fair value of contributions receivable, useful lives of property and equipment and allowance for doubtful accounts in preparing the financial statements. Those estimates and assumptions affect the recorded amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the recorded revenues and expenses. Accordingly, actual results may differ from those estimates.

**Net assets:** The Organization reports information regarding its financial position and activities according to two categories of net assets: net assets with donor restrictions and net assets without donor restrictions. Descriptions of these net asset categories are as follows:

*Net assets without donor restrictions:* Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time the Board of Directors designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability.

*Net assets with donor restrictions:* Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions and also includes the accumulated appreciation and depreciation related to donor-restricted endowment funds.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

**SPAULDING ACADEMY & FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

---

Some net assets with donor restrictions include a situation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

**Cash and cash equivalents:** For purposes of reporting cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at June 30, 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 provision for bad debt expense and an adjustment to an allowance based on their assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable.

**Fair value option:** GAAP provides a fair value option election that allows organizations to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and liabilities. GAAP permits the fair value option election on an instrument-by-instrument basis at specified election dates, primarily at the initial recognition of an asset or liability or upon an event that gives rise to a new basis of accounting for that instrument. The Organization has elected the fair value option for contributions receivable.

**Contributions receivable:** Unconditional contributions receivable are reported at net realizable value at the time the promise is made payment is expected to be received. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and in subsequent periods because the Organization elected the fair value option in accordance with generally accepted accounting principles. Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their receipt and provides equal or better information to users of its financial statements than if those promises were measured using present value techniques and historical discount rates. Conditional promises to give are not included in the financial statements. For the year ended June 30, 2022, the Organization had \$40,000 in contributions receivable with \$20,000 to be received within one year or less and \$20,000 to be received within two to five years.

**Revenue and revenue recognition:** The Organization recognizes revenue from student tuition and fees during the year in which the related services are provided to students. The performance obligation of delivering educational and therapeutic services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. In addition, the Organization offers residential and foster care programs. The performance obligation of providing access to housing and meals is satisfied ratably over the period in which the student lives on campus. The Organization bills the students' local school districts monthly based on daily rates established by the New Hampshire Department of Education (NH DOE) depending on which academic or residential programs the students are enrolled in. Payments are then received by either the student's local school district, the Division for Children, Youth, and Families (DCYF), the NH DOE, or counterpart agencies from other states.

**PRELIMINARY**

**SPAULDING ACADEMY & FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

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The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purposes specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the year ended June 30, 2022.

**Beneficial interests in trusts:** Beneficial interests in trusts are carried at the fair value of the expected future distributions from irrevocable perpetual trusts controlled by trustees not related to the Organization.

**Donated services:** Volunteers have donated their time to the Organization and its programs; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

**Inventories:** Inventories consist of food inventory and are valued at the lower of cost on the first-in, first-out basis, or net realizable value.

**Property and equipment:** Property and equipment are recorded at cost if purchased or at fair value on the date of gift if donated. Donated assets are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are being depreciated using the straight-line method over estimated useful lives as follows:

	<b>PRELIMINARY</b>	<b>Years</b>
Buildings and improvements.....		5-50
Vehicles.....		3-5
Furniture, fixtures and equipment.....		3-15

The Organization's policy is to capitalize asset acquisitions in excess of \$5,000. Lesser amounts are generally expensed.

**Income taxes:** The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income taxes by virtue of its ongoing exemption from federal income taxes. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization has adopted the provisions of FASB ASC 740, Accounting for Uncertainty in Income Taxes. Accordingly, management has evaluated the Organization's tax positions and concluded the Organization had maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment or disclosure in the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal or State tax authorities for years before 2019.

**Functional allocation of expenses:** The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the Organization. Those expenses include depreciation, occupancy, the president's office, food services and the information technology department.

**SPAULDING ACADEMY & FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

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Depreciation and occupancy are allocated based on square footage. The president's office, food services and the information technology department are allocated based on estimates of time and effort.

**Operating measure:** The Organization has presented the statement of activities and changes in net assets based on an intermediate measure of operations. The measure of operations includes all revenues and expenses that are an integral part of the Organization's programs and supporting activities and net assets released from restrictions to support operating activities. Non-operating activities are limited to resources outside of those program and services and are comprised of investment return, the changes in fair value of the beneficial interest in trusts, and gains and losses on sales and dispositions of assets.

**Comparative 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**Advertising costs:** The Organization expenses all advertising costs as incurred. Advertising and recruitment expense amounted to \$130,464 for the year ended June 30, 2022.

*Note 3. Concentrations*

The Organization receives a substantial amount of its support from the New Hampshire Department of Health and Human Services, Division of Children, Youth and Families, in the form of board and care revenue, and from the New Hampshire Department of Education, for student instruction. In addition, the Organization receives support from similar governmental agencies in other states.

The Organization maintains cash accounts in multiple financial institutions. The Organization's cash accounts are insured up to \$250,000 per depositor at each financial institution. At June 30, 2022, the Organization's uninsured cash balances totaled approximately \$1,311,000.

This excludes a portion of the Organization's cash balances invested in a repurchase agreement which is not insured by the FDIC. The repurchase agreement is an obligation of the bank and the underlying federal security serves as collateral. Shares of pooled U.S. Government-backed securities pledged as collateral totaled approximately \$5,116,000 at June 30, 2022.

*Note 4. Investments*

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values, based upon quoted market prices or estimated fair value provided by external managers, in the statements of financial position.

Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities and changes in net assets.

## SPAULDING ACADEMY &amp; FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

The following summarizes investment return for the year ended June 30, 2022:

	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 228,916	\$ 32,324	\$ 261,240
Realized and unrealized losses	(1,243,876)	(222,385)	(1,466,261)
Investment fees	(71,889)	(10,165)	(82,054)
	<u>\$ (1,086,849)</u>	<u>\$ (200,226)</u>	<u>\$ (1,287,075)</u>

**Note 5. Beneficial Interests in Trusts**

The Organization is the beneficiary of several irrevocable perpetual trusts managed by local, independent financial institutions. The Organization receives distributions from seven trusts based on the income earned and annual distributions made by the trust. The Organization received \$114,275 from these trusts during the year ended June 30, 2022. This amount is recorded as investment income without donor restrictions.

The Organization's portion of the fair value of these trusts, which approximates the present value of future benefits expected to be received, amounted to \$2,397,287 at June 30, 2022. In accordance with FASB ASC 958-605, *Transfers of Assets to a Not-for-Profit Organization or a Public Trust Trust*, the Organization has recorded the change in value of these investments on the state and changes in net assets. The decrease in value of beneficial interests in trusts during the year ended June 30, 2022 amounted to \$(291,292).

**Note 6. Line-of-Credit, Long-Term Debt, and Pledged Assets**

During the year, the Organization had a \$1,000,000 revolving line-of-credit agreement with interest at the *Wall Street Journal* prime rate plus 1%, secured by all accounts receivable, demand deposits, cash collateral, contracts, and contract rights, the second mortgage on the property located at 130 Shedd Road, and other amounts that might become owed to the Organization during its normal course of operations. This line-of-credit matured on April 1, 2022 and was not renewed and was discharged subsequent to year end.

Long-term debt at June 30, 2022 consists of the following:

Note payable, bank, secured by first mortgage on 130 Shedd Rd., interest at 4%, requiring monthly principal and interest payments of \$14,732, due February 2037	\$ 1,951,547
Portion payable within one year	99,473
<i>Total long-term debt</i>	<u>\$ 1,852,074</u>



**SPAULDING ACADEMY & FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

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The following is a summary of the principal payments due on long-term debt:

<u>Year Ending June 30,</u>	
2023	\$ 99,473
2024	103,382
2025	107,854
2026	112,310
2027	116,951
Thereafter	1,411,577
<i>Total</i>	<u>\$ 1,951,547</u>

The carrying amount reported in the statement of financial position approximates fair value because the Organization can obtain similar loans at the same terms.

**Note 7. COVID - 19**

The COVID-19 pandemic has impacted and could further impact the Organization's operations. The extent of the impact of the COVID-19 on the Organization's operational and financial performance will depend on future developments, including the duration and up to the Organization's students and employees, all of which are uncertain and cannot be predicted.

PRELIMINARY

In the current year the Organization received \$50,744 for tax credits received under the Coronavirus Response Act (FFCRA) reported on the statement of activities as a non-operating activity.

**Note 8. Endowment Funds**

The Organization's endowment consists of seven individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

*Interpretation of Relevant Law:* The Organization is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors of the Organization has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary.

## SPAULDING ACADEMY &amp; FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

*Underwater Endowment Funds:* From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. The Organization did not have any funds with deficiencies for the year ended June 30, 2022.

*Investment Return Objectives, Risk Parameters and Strategies:* The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the net return seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of approximately 5% while growing the funds if possible. Therefore, the Organization expects its endowment assets, over the long term, to produce an average rate of return of 3% over the generally followed Consumer Price Index while prioritizing preservation of the capital in real terms and displaying strong risk management. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy:* The Organization has adopted a written spending policy of appropriating for distribution each year 5% of its endowment fund's average fair value of the prior 20 quarters through the year preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate of approximately 3% annually, which is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

**SPAULDING ACADEMY & FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 674,620	\$ 674,620
Accumulated investment gains	-	662,088	662,088
Board-designated endowment funds	7,020,681	-	7,020,681
	<u>\$ 7,020,681</u>	<u>\$ 1,336,708</u>	<u>\$ 8,357,389</u>

Changes in endowment net assets as of June 30, 2022 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 8,189,487	\$ 1,595,971	\$ 9,785,458
Investment loss, net	(838,806)	(200,226)	(1,039,032)
Appropriation of endowment assets for expenditure	(30,000)	(59,037)	(389,037)
Endowment net assets end of year	<u>\$ 7,020,681</u>	<u>\$ 1,336,708</u>	<u>\$ 8,357,389</u>

PRELIMINARY

**Note 9. Net Assets without Donor Restrictions**

The Organization's net assets without donor restrictions is comprised of the following:

June 30,	2022
Undesignated	\$ 15,354,437
Board-designated endowment funds	7,020,681
Board-designated for priority needs	1,675,592
<i>Total net assets without donor restrictions</i>	<u><u>\$ 24,050,710</u></u>

## SPAULDING ACADEMY &amp; FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

*Note 10. Net Assets with Donor Restrictions*

Net assets with donor restrictions are restricted for the following purposes or periods:

June 30,	2022
Subject to expenditure for specified purpose or period:	
Art supplies	\$ 20,872
Technology	31,422
Lakes Region Riding Academy	15,340
Professional development	31,721
Adaptive playground	34,240
Miscellaneous	34,993
Contributions and grant receivable	40,176
<i>Total subject to expenditure for specified purpose or period</i>	<u>208,764</u>
Endowments subject to the Organization's spending policy and appropriation:	
Investments in perpetuity (original amount of \$674,620), which once appropriated, is expendable to support the Organization's programs	<u>1,336,708</u>
Beneficial interest in assets held by others	
Beneficial interests in trusts	<u>2,397,287</u>
<i>Total net assets with donor restrictions</i>	<u><u>\$ 3,942,759</u></u>

*Note 11. Tuition Income*

Tuition income reported on the statement of activities and changes in net assets includes instructional revenue and residential revenue as follows:

Instructional revenue	\$ 7,913,845
Residential revenue	14,272,326
<i>Total</i>	<u><u>\$ 22,186,171</u></u>

*Note 12. Retirement Plan*

The Organization maintains a defined contribution 403(b) qualified retirement plan ("the Plan"). The Plan covers all employees of the Organization who have completed two years of service and who are at least twenty-one years of age. Each year, the Organization contributes to the Plan in accordance with the Plan document. Participants may make elective wage and salary deferrals into this plan. All participants are 100% vested upon entry. Included in employee benefits in the statement of functional expenses is the retirement expense amounting to \$455,547 for the year ended June 30, 2022.

## SPAULDING ACADEMY &amp; FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS**Note 13. Liquidity and Availability of Resources**

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

<u>June 30,</u>	<u>2022</u>
Cash	\$ 6,589,076
Accounts receivable	2,980,666
Grants receivable	315,530
Contributions receivable, net	40,000
Beneficial interests in trusts	2,397,287
Investments	10,608,617
<i>Total financial assets</i>	<u>22,931,176</u>
Less amounts unavailable for general expenditures within one year due to:	
Restricted by donors with time or purpose restrictions	(188,588)
Subject to appropriation and satisfaction of donor restrictions	(1,274,708)
Beneficial interests in trusts	<u>(2,397,287)</u>
	(3,860,583)
Amounts unavailable to management without Board's approval:	
Board-designated net assets	<u>(8,346,273)</u>
<i>Total financial assets available to management for general expenditure within one year</i>	<u>\$ 10,724,320</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Organization has board-designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

**Note 14. Related Party Transactions**

The Organization receives financing from a bank which employs one of the Organization's board members. Another board member is also a board of director of that bank. In addition, another board member is president of the company that manages the Organization's retirement plan.

**Note 15. Fair Value Measurements**

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC 820-10) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

## SPAULDING ACADEMY &amp; FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

The three levels of the fair value hierarchy are as follows:

- Level 1 - inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at level 1 fair value generally are securities listed in active markets. The Organization has valued its investments, listed on national exchanges at the last sales price as of the day of valuation.
- Level 2 - inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option-pricing models, discounted cash flow models, and similar techniques.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Financial assets carried at fair value on a recurring basis consist of the following at June 30, 2022:

	Level 1	Level 2	Level 3
Cash and money market funds	\$ 498,282	\$ -	\$ -
Repurchase agreements	-	4,898,682	-
Equities:			
Communication services	293,567	-	-
Consumer discretionary	540,527	-	-
Consumer staples	298,087	-	-
Energy	275,967	-	-
Financials	710,019	-	-
Health care	876,651	-	-
Industrials	629,490	-	-
Information technology	1,420,949	-	-
Materials	304,379	-	-
Real estate	127,034	-	-
Utilities	112,162	-	-
Alternatives	203,123	-	-
Debt and equity mutual funds	843,389	-	-
Fixed income:			
Government and government agencies	-	1,768,765	-
Corporate bonds	-	1,706,226	-
Contributions receivable	-	-	40,000
Beneficial interests in trusts	-	-	2,397,287
<b>Total</b>	<b>\$ 7,133,626</b>	<b>\$ 8,373,673</b>	<b>\$ 2,437,287</b>

## SPAULDING ACADEMY &amp; FAMILY SERVICES

NOTES TO FINANCIAL STATEMENTS

The following table presents the change in Level 3 instruments for the year ended June 30, 2022:

	Contributions receivable	Beneficial interests in trusts
Balance, beginning of year	\$ -	\$ 2,688,579
New contributions receivable	60,000	-
Contribution payments	(20,000)	-
Total realized and unrealized losses, included in changes in net assets	-	(291,292)
Balance, end of year	<u>\$ 40,000</u>	<u>\$ 2,397,287</u>

**Note 16. Subsequent Events**

The Organization has evaluated subsequent events through \_\_\_\_\_, 2022, the date which the financial statements were available to be issued and have not evaluated subsequent events after that date. Subsequent to year end, the Organization entered into a construction contract totaling \$7,667,362 for a school expansion project. In addition, during August 2022, the Organization entered into an agreement with the New Hampshire Health and Education Facilities Authority (the "Authority") and Franklin Savings Bank to obtain financing of up to \$9,000,000 through the issuance by the Authority of its Revenue \_\_\_\_\_, S in Academy & Family Services Issue, Series 2022 for this project.

There were no other subsequent events identified that would require disclosure in the financial statements for the year ended June 30, 2022.

SPAULDING ACADEMY & FAMILY SERVICES  
CURRENT BOARD COMMITTEES  
September 2022

Officers/Executive Committee

Michael Ventura, Chair  
Hali Dearborn, Vice Chair  
Ronald Magoon, Treasurer  
Daniel Kaplan, Secretary

Finance and Audit Committee

Ronald Magoon, Chair  
Michael Bourbeau  
Hali Dearborn  
Michael Flaherty  
Michael Ventura  
Daniel Walulik

Staff: Todd Emmons, CEO; Meaghan Emmons, CFO; Dennis Galimberty, Support Services Director; Amanda Champagne, Executive Director of Family Services, Lara Woytowich, Controller

Governance Committee

Scott McGuffin, Chair  
Robert Snelling  
Michael Ventura  
Marcus Weeks

Staff: Todd Emmons, CEO; Meaghan Emmons, CFO; Lys Miller-Drake, Director of Human Relations & Employee Engagement

Development Committee

Hali Dearborn, Chair  
Indrika Arnold  
Victoria Blodgett (*Non-Board member*)

Staff: Todd Emmons CEO; Meaghan Emmons, CFO; Lara Woytowich, Controller; OPEN, Director of Development and Community Relations

Program Committee

Peter White, Chair  
Sue Gottling  
Daniel Kaplan  
Robert Snelling

Staff: Todd Emmons, CEO; Amanda Champagne, Executive Director of Family Services; Garrett Lavallee, Principal & Special Education Director; Pat Seaward-Salvati, Director of Admissions

Innovation Committee (*on hold*)

Mike Ventura, Chair  
Mike Bourbeau  
Ron Magoon  
Robert Snelling

Staff: Todd Emmons, CEO; Meaghan Emmons, CFO; Dennis Galimberty, Support Services Director



**TODD C. EMMONS**



**EXPERIENCE**

**Spaulding Youth Center Northfield, New Hampshire 2/17 to present**

*President and Chief Executive Officer* (appointed 10/20).

*Chief Financial Officer.* Responsibilities include providing leadership, supervision, and oversight for all business and financial activities, including the payroll office; coordinating, preparing, and administering annual operating and capital budgets and providing multi-year financial projections; working with state agencies to develop and negotiate tuition rates and receivables balances; working with the Board of Directors and multiple sub committees, providing regular reports and updates, and actively engaging in monthly meetings; and overseeing and managing all strategic and tactical projects as required. Accomplishments include overhauling staffing and budgeting processes, improving relationships with the Department of Education, and improving communication and trust with all campus constituencies.

**Colby-Sawyer College New London, New Hampshire 1/12 to 8/16**

*Vice President of Finance and Operations / Treasurer.* Responsibilities include all aspects of financial operations, facilities, dining services, information technology, library, institutional research, college store, and capital expenditures. Initial appointment included only finance office and IT, with substantial additional responsibilities added. Accomplishments included successfully negotiating bond deal, re-organizing financial budget model, expansion of college operations, transitioning facilities from an outside vendor to inside management, and overseeing capital expansion, including the current construction of the new fine and performing arts building.

**Quinsigamond Community College Worcester, Massachusetts 1/07 to 1/12**

*Vice President for Administrative Services / Chief Financial Officer.* Chief fiscal and administrative officer, overseeing all aspects of the College's fiscal operations, physical plant operations, infrastructure and environment, capital improvements, technology, campus security, auxiliary services, and institutional research & planning. Significant accomplishments include restructuring the internal budget models and reporting processes, both to the internal community and to external constituencies, including the Board of Trustees; overseeing significant investments into the campus infrastructure,

involving the expenditure of over \$12 million in various capital initiatives; adding significant financial flexibility to the fiscal operations by more than doubling the level of unrestricted reserves; reorganized IT department and expanded delivery and investment in IT-related areas; improved working relationship with external agencies, especially various state agencies and elected officials.

**Elms College Chicopee, Massachusetts 9/03 to 9/06**

*Vice President of Finance and Operations.* Chief Financial Officer responsible for all business office activities, student accounts, payroll, human resources, information technology, physical plant, dining services, post office, telephone, and bookstore activities. Significant accomplishments included: a complete restructuring of the Business Office and related offices, including Student Accounts and Financial Aid; the introduction of analytical models into the budget and enrollment processes, along with establishing a more formalized, informed, and inclusive budget process; overseeing a conversion of the administrative software system; overhauling the college's investment portfolio and the development of an investment policy statement; and the restoration of financial stability into the college's operating performance.

**Daniel Webster College Nashua, New Hampshire 4/98 to 9/03**

*Vice President of Finance and Operations.* Chief Financial Officer responsible for all financial and operational matters of the College, including: cash management, accounts receivable, accounts payable, and payroll; \$22 million operating budget; audit compliance; risk management; oversight of all investment and banking activities; and chief human resource officer. Also, managed physical plant, dining services, post office, payroll, telephone, and bookstore activities. Significant accomplishments included: complete reorganization of Business Office (personnel and policies); change in banking relationship and doubling of line of credit; refinancing of existing long term debt; and restructuring of physical plant, insurance, bookstore, and dining operations.

*Lecturer.* Business Management Department

**Saint Anselm College Manchester, New Hampshire 9/85 to 4/98**

*Assistant Treasurer.* Responsible for financial matters of the College, including: analysis of operating budget (\$45 million); College risk manager, managing all lines of insurance; management of College's public financing (Series 1989, 1993, 1996 and 1998); administration of financial custody and control of College's estates and trusts; supervisory responsibility for communications, campus bookstore, and post office areas; director of investment protocol and supervision of College's long term investment portfolio (\$46 million); and administrative oversight of Human Resources, Dining Services, Financial Aid, Security, and Maintenance departments.

*Assistant Professor.* Economics and Business Department.

**United States Trust Company of New York New York, New York 9/81 to 8/85**

*Economics Officer: International Economist.* Professional responsibilities included analysis of major international economies, preparation of foreign trade and exchange rate forecasts, and country risk analyses. Principal author of publications *International Economic Focus* and *International Statistics*, and contributing writer to department's *Quarterly Economic Outlook*. Frequent speaker at Economic Advisory Service seminars.

**Irving Trust Company New York, New York 4/78 to 8/81**

Manager, Economic Analysis and Planning Department. Principal responsibilities included overall management, project control, and coordination of department activities - encompassing statistical research section, graphics department, and Bank Library. Other assignments involved serving as the Divisional Controller, administering personnel policies, and serving as the sales/production manager of Irving Trust Company's graphics service, Irving Economic Service.

**EDUCATION**

**Stern School of Business, New York University New York, New York**  
MBA Finance (June, 1985)

**London School of Economics & Political Science London, England**  
MSc. Economics (June, 1977)

**Saint Anselm College Manchester, New Hampshire**  
BA Economics, cum laude (May, 1975)

**OTHER**

Board Member, Community College System of New Hampshire (CCSNH), Vice Chair, Audit Committee.

Board Member, New Hampshire Health and Higher Education Financing Authority (NH HEFA)



**Director of Residential Services, 10/2014 to 9/2020**

**Spaulding Youth Center – Northfield, NH**

- Manages and administers all aspects of the Residential Services Program.
- Manages 61 bed facility for children and young adults for 5 residential units.
- Develops, maintains all residential aspects of a 14 million dollar budget
- Oversees and evaluates all aspects of business operations.
- Oversees and recommends clinical intervention for behavioral programming.
- Program fidelity with regard to rules and regulations set forth by several NH State Agencies.
- Program Director with regard to Child Care Licensing and NH DHHS
- Recruitment, Retention as well as all supervisory aspects of over 90 staff

**Assistant Residential Director, 12/2013 to 10/2014**

**Spaulding Youth Center – Northfield, NH**

- Program Quality Assurance Scheduling of all residential buildings Budget planning and review of expenditures Crisis Intervention/ Behavior Management for students and families Responsible for licensure Supervision of all residential components.

**Residential Supervisor/ Senior Supervisor, 02/2006 to 12/2013**

**Spaulding Youth Center – Northfield, NH**

- Direct supervision of all residential components Payroll, hiring, discipline of policy and procedure for all staff Revision and instruction of treatment plans and IEP for students Authorization for extended room and board for the states of Maine and Connecticut Facilitate and coordinate training for all residential staff.

**Residential Counselor III, 11/2000 to 02/2006**

**Spaulding Youth Center – Northfield, NH**

- Direct care of students with disabilities Case management including monthly reports, weekly reports, treatment plans, goals and objectives.
- Tracking and using behavioral excess and behavioral deficit data Payroll and supervisory duties.

**Softscape Foreman, Belknap Landscape Company, 05/1998 to 11/2000**

**Belknap Landscape Co Inc. – Gilford, NH**

- Pruning, weeding, annuals and perennials installation
- Ordering and reporting materials used and given
- Plant and flower bed design.

**Education**

**Master of Business Administration** , January 2019

**Southern New Hampshire University** - Manchester, NH

GPA: 3.8

**Master of Psychology: Child and Adolescent Development**, June 2015

**Southern New Hampshire University** - Manchester, NH

GPA: 3.9

**B.S: Psychology, Family Studies**, June 2012

**Granite State College** - Concord, NH

**A. S: Human Service**, June 2008

**Laconia Community Technical College** - Laconia, NH

Licensed Nursing Assistant, 2005

**Lakes Region Community College** - Laconia, NH

## **Accomplishments**

- Professional Crisis Management trainer and Instructor.
- Joint Loss Management Chair for 2 years.
- Benefits Committee Facilitator.
- Trust Based Relational Interventions
- Positive Behavior Intervention and Supports.
- Positive Relationships in a Healing Environment.
- Behavioral Tools.
- Workers Comp committee member.
- Exceptional prevention, de-escalation and crisis management skills.
- Retirement oversight committee.
- ALICE Instructor certified.
- Justice of the Peace

## **Volunteer Associations**

- Board Member, Tilton and Northfield Youth Assistance Program, since 2017
- Board Member, Lakes Region United Soccer, since 2018
- Registrar, Lakes Region United Soccer, since 2018

## **References**

Excellent references are available on request.

# MEAGHAN T. EMMONS

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## Work Experience

### Alera Group

#### Northern New England Finance Manager

January 2022-Present

*Work with New England Alera offices to lead and direct financial activities.*

- Direct day to day accounting activities for offices in coordination with office or regional finance/accounting employees
- Manage finance and accounting team
- Identify and implement opportunities to use regional and/or corporate resources to increase efficiencies across various offices
- Assist in tracking and maximizing opportunities for increasing revenue using synergies across the region

### Granite Group Benefits, Manchester NH

#### Senior Vice President of Finance

June 2003-Present

*Worked up from Business Manager to Director of Finance and Operations to CFO increasing responsibility to current role of Senior VP of Finance. Managing all aspects of the Financial Management of a successful employee benefits insurance office as well as oversight of office management and industry regulatory requirements*

- Lead the process of due diligence and valuation for the sale of the company including financial reporting and analysis, overview of business operations, employee matters and compensation, and systems and technology infrastructure.
- Oversee all financial transactions of the business including cash inflow and outflow; maintain bank account information and relationships; accounts payable and accounts receivable; and budgeting
- Participate in company strategic planning and income analysis
- Maintain agency management system software including reporting and commission coordination and payment
- Create and maintain custom financial spreadsheets to track as well as project income and expenses
- Manage all monthly and yearly financial reporting, reconciliations, analysis and company valuations
- Assist in annual tax preparation
- Prepare annual 5500 reports for clients for filing in accordance with ERISA requirements
- Oversee and coordinate all company business insurance coverage
- Oversee and coordinate all office industry regulatory licensing and insurance carrier contracting
- Supervise administrative staff to oversee office operations, maintenance and upkeep
- Plan and coordinate company retreats and team building activities, both on and off site

### Saint Anselm College, Manchester NH

#### Office of Student Activities and Leadership Programs

#### Student Programs Coordinator

January 2003-June 2003

*Led a busy Student Activities office and oversaw student volunteers in planning and implementing extracurricular activities for students (Interim position)*

- Responsible for the development, coordination, implementation, and/or supervision of all activities and events sponsored by the Student Activities and Leadership programs as well as student run organizations
- Manage on campus student events including performance contracts and all financial matters
- Advise the Campus Activities Board (CAB) in all Theme Weeks and miscellaneous semester events as well as the development, planning, budgeting, and marketing of events
- Assist with the planning of New Student Orientation, Family Weekend, Fall Programming, and Recognition Awards
- Serve as a resource on contract matters, liability and risk avoidance and ensure compliance with college regulations

## Volunteer Experience

### UpReach Therapeutic Riding Center, Goffstown NH

January 2012-Present

*Work with students and staff during both mounted and unmounted therapy programs harnessing the power of the horse*

- Provide assistance in grooming, tacking and general horse knowledge and behavior for mounted and unmounted programming
- Lead horse or walk alongside rider and interact and participate with the student, providing various support - physical, emotional, reinforcing directions, and assisting with skills as needed throughout the session

### New England Parkinson's Ride, Old Orchard Beach ME

September 2016-Present

*Participate in an annual cycling fundraiser with over 1000 riders for the benefit of Parkinson's Research*

- Assist in planning and preparation for ride weekend throughout the year as well as attending ride weekend from set up to break down
- Lead registration volunteer, implementing processes to streamline and speed up check in and bib registration process for more than 1000 riders

## Education

### Southern New Hampshire University, Manchester NH

September 2007

Masters in Business Administration

### St. Anselm College, Manchester NH

May 2002

Bachelor of Arts, Cum Laude, Liberal Studies in the Great Books

Awarded Certificates in Spanish and Communications, Dean's List of Scholars, Delta Epsilon Sigma Honor Society

## Skills

Proficient in a wide variety of computer programs including Microsoft Office Suite, QuickBooks Financial Software, as well as experience with both Microsoft and Apple Operating systems

**References available upon request**



**Key Personnel**

<u>Name</u>	<u>Annual</u>	<u>Paid by Contract</u>
Todd Emmons, CEO	\$220,000	\$0
Amanda Champagne, Executive Director	\$130,000	\$0
Meaghan Emmons, CFO	\$140,000	\$0

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

**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 St. Ann's Home, Inc.		1.4 Contractor Address 100A Haverhill Street, Methuen, MA 01844	
1.5 Contractor Phone Number 978-682-5276	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by: <i>Joseph Cronin</i> Date: 10/14/2022		1.12 Name and Title of Contractor Signatory Joseph Cronin CEO	
1.13 State Agency Signature DocuSigned by: <i>Katja S. Fox</i> Date: 10/14/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>Polym Guinno</i> On: 10/17/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

**2. SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available; if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omissions of the

Contractor Initials   K    
Date 10/14/2022

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein, by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

---

its Plan within five (5) days of notification of non-approval from the Department.

1.6. The Contractor must implement the Plan immediately upon notification of Department approval.

1.7. Reporting

1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:

1.7.1.1. Youth Served.

1.7.1.2. Workforce, including, but not limited to:

1.7.1.2.1. Total Staffing.

1.7.1.2.2. Resignations.

1.7.1.2.3. Vacant Positions.

1.7.1.2.4. Offers.

1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.

2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**





**New Hampshire Department of Health and Human Services  
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EXHIBIT B**

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**Appropriate Programs and Services**

3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

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



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EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

4.1. The Contractor must keep records that include, but are not limited to:

4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions; labor time cards, payrolls, and other records requested or required by the Department.

4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
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EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR.200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

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**New Hampshire Department of Health and Human Services  
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EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

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**New Hampshire Department of Health and Human Services  
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EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must return to the Department all payments made under the Agreement to which exception has been taken, or which have been disallowed because of such an exception.

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New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT  
BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated recordset" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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Contractor Initials   *HC*  

Date   10/14/2022



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Exhibit D

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



New Hampshire Department of Health and Human Services

Exhibit D

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI





New Hampshire Department of Health and Human Services

Exhibit D

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Exhibit D

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



New Hampshire Department of Health and Human Services

Exhibit D

- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

Department of Health and Human Services

St. Ann's Home, Inc.

The State

Name of the Contractor

DocuSigned by:

DocuSigned by:

*Katja S. Fox*

*Joseph Cronin*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Joseph Cronin

Name of Authorized Representative

Name of Authorized Representative

Director

CEO

Title of Authorized Representative

Title of Authorized Representative

10/14/2022

10/14/2022

Date

Date

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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Exhibit E

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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New Hampshire Department of Health and Human Services

Exhibit E.

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP); also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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**New Hampshire Department of Health and Human Services**

**Exhibit E**

**DHHS Information Security Requirements**



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. **Data Security Breach Liability.** In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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**Department of  
Early Education and Care**



The Commonwealth of Massachusetts

Amy Kershaw, Commissioner

October 14, 2022

To Whom It May Concern:

The Department of Early Education and Care is the state agency empowered to license and regulate all residential, foster and adoption placement programs and agencies in the Commonwealth of Massachusetts. According to the Department's records: St Ann's Home, Inc. is licensed and authorized to provide residential placement services, pursuant to Massachusetts General Laws, Chapter 28A, Section 4. This letter applies to the following programs:

St Ann's Home - Broadway Group Home Program – Located at 285 Broadway, Methuen, MA 01844

St Ann's Home 595 Haverhill St Group Home located at 595b Haverhill St Lawrence, MA 01843

St Ann's Home- Main Residence located at 100A Haverhill St Methuen MA 01844.

St Ann's Home Edwards Ave Group Home located at 7 Edwards Ave Methuen, MA 01844

St Ann's Home Roseland St Group Home located at 17 Roseland St Methuen, MA 01844

St Ann's Home-98 Haverhill St Group Home located at 98 Haverhill St Methuen, MA 01844

St Ann's Home- Williams Center CBAT Program located at 18 Avon Ave Methuen, MA 01844

As of October 14, 2022, the programs listed above are considered in good standing. This means that the program has a current license in the process of renewal, have no current regulatory non-compliance issues and are not currently under any legal order.

Richard Mucci

Residential and Placement Licensor- cell 978-965-0488

Certificate of Authority

I, Marilyn Andrews, 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 St. Ann's Home, Inc.  
(Corporation/LLC Name)
- 2. The following is a true copy of a vote taken at a meeting of the Board of Trustees/Directors/shareholders, duly called and held on May 31, 2018  
(Date)  
at which a quorum of the Directors/shareholders were present and voting.

**VOTED:** That Joseph Cronin, President & CEO (may list more than one person) is

(Name and Title of Contract Signatory)

duly authorized on behalf of St. Ann's Home, Inc. to enter into contracts or agreements

(Name of Corporation/LLC)

with the State of New Hampshire and any other of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

- 3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: October 14, 2022

Marilyn Andrews

Signature of Elected Officer  
Name: Marilyn Andrews  
Title: Clerk/Secretary





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/14/2022

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Roman Catholic Archdiocese of Boston 66 Brooks Drive Braintree, MA 02184 Braintree MA 02184	<b>CONTACT NAME</b> PHONE (A/C, No, Ext) 617-746-5752 FAX (A/C, No) null E-MAIL Certificates@Ratiorisk.com ADDRESS INSURER(S) AFFORDING COVERAGE NAIC # INSURER A Fides Insurance Group INSURER B National Catholic Risk Retention Group INSURER C Massachusetts Catholic Self Insurance Group INSURER D INSURER E INSURER F
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**COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:**

**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WOOD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			Fides 22-002 \$250,000.00	07/01/22	07/01/23	EACH OCCURRENCE \$ 1,000,000
B	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			RRG 10358-25 \$750,000.00			DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$
	GEN'L AGGREGATE L MIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						
	UMBRELLA LIAB EXCESS LIAB						EACH OCCURRENCE \$ AGGREGATE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLA MS-MADE						
	DED RETENTION \$						
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			Certificate of Approval Commonwealth of Massachusetts 300001012022	03/31/22	03/31/23	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	Y/N <input type="checkbox"/> N/A						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Evidence of General Liability and Workers Compensation Insurance for St. Ann's home, Inc.

<b>CERTIFICATE HOLDER</b> State of NH Department of Health and Human Services 129 Pleasant Street Concord, NH 03301-3857	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Amanda Tailon 
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## MISSION STATEMENT

*The mission of St. Ann's Home & School is to provide a continuum of assessment, treatment, educational, and community-based services for children, adolescents, and young adults who present with a variety of mental health, emotional, and educational challenges. We seek to provide state-of-the-art programming and services in collaboration with these clients, their families, and other community and state agencies to help them manage challenges through our residential, day school, and community outreach programs with the goal of supporting the child in the least restrictive setting."*



**ST. ANN'S HOME, INC.**

**Financial Statements**

**Year ended June 30, 2021**

**ST. ANN'S HOME, INC.**

**Financial Statements**  
**Year ended June 30, 2021**

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**Leonard, Mulherin & Greene, P.C.**  
Certified Public Accountants & Consultants

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
St. Ann's Home, Inc.  
Methuen, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of St. Ann's Home, Inc. (a Massachusetts nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT**  
(continued)

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Leonard, Mulherin & Greene, P.C.*

LEONARD, MULHERIN & GREENE, P.C.  
Braintree, Massachusetts

November 8, 2021

**ST. ANN'S HOME, INC.****Statement of Financial Position**

June 30, 2021

*(with comparative totals for 2020)*

	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 13,867,830	\$ 10,676,540
Accounts receivable, net of allowance for doubtful accounts	2,776,043	3,491,443
Investments, current portion	4,759,481	4,601,962
Prepaid expenses	57,834	29,927
<b>Total current assets</b>	<b>21,461,188</b>	<b>18,799,872</b>
<b>PROPERTY, PLANT AND EQUIPMENT,</b> net of accumulated depreciation	<b>16,053,123</b>	<b>16,422,776</b>
<b>OTHER ASSETS</b>		
Investments, net of current portion	2,989,793	2,124,717
<b>Total assets</b>	<b>\$ 40,484,104</b>	<b>\$ 37,347,365</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 380,897	\$ 308,775
Accrued expenses	1,997,190	1,798,550
Deferred revenue	128,726	177,542
Custodial funds held in trust	45,361	64,020
Capital lease obligation, current portion	24,672	23,530
Current portion of long-term debt	239,748	330,508
<b>Total current liabilities</b>	<b>2,816,594</b>	<b>2,700,925</b>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion and unamortized deferred loan costs	6,085,091	7,610,744
Capital lease obligation, net of current portion	43,810	68,482
Other long-term liability	177,640	177,540
Liability under interest rate swap agreement	374,692	551,671
<b>Total liabilities</b>	<b>9,497,727</b>	<b>11,109,362</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Without donor restrictions	30,496,751	25,890,758
With donor restrictions	489,626	347,245
<b>Total net assets</b>	<b>30,986,377</b>	<b>26,238,003</b>
<b>Total liabilities and net assets</b>	<b>\$ 40,484,104</b>	<b>\$ 37,347,365</b>

The accompanying notes are an integral part of these financial statements.

**ST. ANN'S HOME, INC.****Statement of Activities**

Year ended June 30, 2021

*(with comparative totals for 2020)*

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE, SUPPORT AND GAINS</b>				
Program service fees	\$ 32,728,072	\$ -	\$ 32,728,072	\$ 31,209,093
Grants	1,155,950	-	1,155,950	238,285
Contributions	102,373	107,094	209,467	210,094
Investment income, net	738,786	89,051	827,837	12,031
United Way of Massachusetts Bay	10,120	-	10,120	11,000
Other income	445,228	-	445,228	402,611
Net assets released from restrictions	53,764	(53,764)	-	-
<b>Total revenue, support and gains</b>	<b>35,234,293</b>	<b>142,381</b>	<b>35,376,674</b>	<b>32,081,114</b>
<b>EXPENSES</b>				
<b>Program Services</b>				
Residential	23,556,701	-	23,556,701	22,550,218
Day	4,114,567	-	4,114,567	3,429,841
Outreach	905,930	-	905,930	870,888
<b>Total program services</b>	<b>28,577,198</b>	<b>-</b>	<b>28,577,198</b>	<b>26,850,947</b>
<b>Supporting Services</b>				
Management and General	2,092,355	-	2,092,355	1,957,055
Development	135,726	-	135,726	126,735
<b>Total supporting services</b>	<b>2,228,081</b>	<b>-</b>	<b>2,228,081</b>	<b>2,083,790</b>
<b>Total expenses</b>	<b>30,805,279</b>	<b>-</b>	<b>30,805,279</b>	<b>28,934,737</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>4,429,014</b>	<b>142,381</b>	<b>4,571,395</b>	<b>3,146,377</b>
<b>OTHER CHANGES</b>				
Loss on disposal of property, plant, and equipment	-	-	-	(5,868)
Gain (loss) on interest rate swap agreement	176,979	-	176,979	(186,959)
<b>CHANGE IN NET ASSETS</b>	<b>4,605,993</b>	<b>142,381</b>	<b>4,748,374</b>	<b>2,953,550</b>
<b>NET ASSETS, beginning of year</b>	<b>25,890,758</b>	<b>347,245</b>	<b>26,238,003</b>	<b>23,284,453</b>
<b>NET ASSETS, end of year</b>	<b>\$ 30,496,751</b>	<b>\$ 489,626</b>	<b>\$ 30,986,377</b>	<b>\$ 26,238,003</b>

The accompanying notes are an integral part of these financial statements.

**ST. ANN'S HOME, INC.****Statement of Functional Expenses**

Year ended June 30, 2021

*(with comparative totals for 2020)*

	2021					
	Employee Compensation and Related	Occupancy	Other Program/Operating Expenses	Administrative	Depreciation	Total
Residential	\$ 19,679,778	\$ 1,344,207	\$ 1,402,671	\$ 270,883	\$ 859,162	\$ 23,558,701
Day	3,269,365	278,044	270,641	92,896	203,621	4,114,567
Outreach	827,118	14,082	11,262	41,496	11,972	905,930
<b>Total Program Services</b>	<b>23,776,261</b>	<b>1,636,333</b>	<b>1,684,574</b>	<b>405,275</b>	<b>1,074,755</b>	<b>28,577,198</b>
Management and General	1,273,273	35,444	26,740	727,447	29,451	2,092,355
Development	121,418	869		12,714	725	135,726
<b>Total Supporting Services</b>	<b>1,394,691</b>	<b>36,313</b>	<b>26,740</b>	<b>740,161</b>	<b>30,176</b>	<b>2,228,081</b>
<b>Total expenses - 2021</b>	<b>\$ 25,170,952</b>	<b>\$ 1,672,646</b>	<b>\$ 1,711,314</b>	<b>\$ 1,145,436</b>	<b>\$ 1,104,931</b>	<b>\$ 30,805,279</b>
<b>Total expenses - 2020</b>	<b>\$ 23,694,220</b>	<b>\$ 1,609,603</b>	<b>\$ 1,591,939</b>	<b>\$ 956,244</b>	<b>\$ 1,082,731</b>	<b>\$ 28,934,737</b>

The accompanying notes are an integral part of these financial statements.

**ST. ANN'S HOME, INC.****Statement of Cash Flows**

Year ended June 30, 2021

*(with comparative totals for 2020)*

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,748,374	\$ 2,953,550
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	1,104,931	1,082,731
Amortization of deferred loan costs	20,223	9,409
Net realized and unrealized (gains) losses on investments	(749,200)	117,979
(Gain) loss on interest rate swap agreement	(176,979)	186,959
Loss on disposal of property, plant and equipment	-	5,868
(Increase) decrease in asset accounts		
Accounts receivable	715,400	(970,704)
Prepaid expenses	(27,907)	18,445
Increase (decrease) in liability accounts		
Accounts payable	72,122	(142,198)
Accrued expenses	200,640	341,731
Deferred revenue	(48,816)	30,541
Custodial funds held in trust	(18,659)	23,922
<b>Net cash provided by (used in) operating activities</b>	<b>5,840,129</b>	<b>3,658,233</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(735,278)	(390,959)
Purchase of investments	(1,506,209)	(1,051,510)
Proceeds from sale of investments	1,252,814	496,035
<b>Net cash provided by (used in) investing activities</b>	<b>(988,673)</b>	<b>(946,434)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(1,636,636)	(311,330)
Principal payments on capital lease obligation	(23,530)	(6,935)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,660,166)</b>	<b>(318,265)</b>
Net increase (decrease) in cash, cash equivalents, and restricted cash	3,191,280	2,393,534
<b>Cash, cash equivalents, and restricted cash, beginning of year</b>	<b>10,676,540</b>	<b>8,283,006</b>
<b>Cash, cash equivalents, and restricted cash, end of year</b>	<b>\$ 13,867,830</b>	<b>\$ 10,676,540</b>
<b>SUPPLEMENTARY DISCLOSURE</b>		
Cash paid for interest	\$ 283,570	\$ 313,196

The accompanying notes are an integral part of these financial statements.



## **ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

### **1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Nature of Activities***

St. Ann's Home, Inc. (the "Organization" or "St. Ann's") is a private, nonprofit organization, whose sole corporate member is Catholic Social Services, Inc., which is a nonprofit corporation under the auspices of the Roman Catholic Archbishop of Boston, A Corporation Sole ("RCAB"). The Organization operates a residential treatment center and special education school for emotionally disturbed children, community-based group homes, and other significant community-oriented programs. St. Ann's primarily serves communities in the Greater Lawrence area and maintains its main campus in Methuen, MA.

#### ***Basis of Accounting***

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### ***Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### ***Cash, Cash Equivalents and Restricted Cash***

Cash, cash equivalents and restricted cash include operating cash accounts, money market funds, custodial funds held in trust, and highly liquid debt instruments with a maturity of three months or less that are not held in the Organization's investment portfolio.

#### ***Accounts Receivable***

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2021 and 2020, the Organization had recorded an allowance for doubtful accounts of \$40,000.

#### ***Investments***

In accordance with GAAP, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at market value in the Statement of Financial Position. Realized and unrealized gains and losses are included in the change in net assets on the Statement of Activities.

#### ***Property, Plant, Equipment and Depreciation***

Property, plant and equipment are recorded at cost if purchased or at estimated fair market value if donated. Expenditures for major renewals and improvements are capitalized and maintenance and repairs are expensed as incurred.

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****Property, Plant, Equipment and Depreciation (continued)***

Depreciation of property, plant and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

	Lives in Years
Buildings	11-27.5
Building improvements	20
Motor vehicles	3-5
Furniture and equipment	3-10

***Custodial Funds Held in Trust***

The Organization acts as a fiduciary with respect to certain personal funds it receives on behalf of individuals. Since the funds are not the property of the Organization, they are reported in the Statement of Financial Position as an asset with an offsetting liability. The funds held under this arrangement at June 30, 2021 and 2020 totaled \$45,361 and \$64,020, respectively.

***Deferred Loan Costs***

In accordance with GAAP, the Organization presents deferred loan costs related to a recognized debt obligation as a direct reduction of the carrying amount of the related debt on the Statement of Financial Position. Additionally, amortization of the debt issuance costs is reported as interest expense.

***Accounting for Derivative Instruments and Hedging Activities***

Under GAAP, the Organization is required to measure every derivative instrument (including certain derivative instruments embedded in other contracts) at fair value and record them on the Statement of Financial Position as either an asset or a liability. Changes in the fair value of derivative instruments are included in the Change in Net Assets on the Statement of Activities.

The Organization has entered into an interest rate swap agreement to reduce the impact and risk associated with the variable rate in its debt agreement (see Note 9). The interest rate swap agreement, which is a derivative instrument, is a contract to exchange a variable rate for a fixed rate of interest payments over the life of the agreement.

Fair values of interest rate derivatives are based on pricing models using prevailing market information as of June 30, 2021 and have been computed by the bank holding the interest rate swap agreement (see Note 9).

***Net Assets***

Net assets, revenue, support, gains, and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***Net Assets Without Donor Restrictions*** – Consist of net assets available for use in general operations that are not subject to donor-imposed restrictions. As of June 30, 2021, the Board of Trustees had designated certain net assets without donor restrictions totaling \$2,639,641 for long-term investment.

***Net Assets With Donor Restrictions*** – Consist of net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or the expending of the net assets for particular purposes as specified by the donor.

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Net Assets (continued)**

*Net Assets With Donor Restrictions (continued)* – Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the principal is to be maintained in perpetuity (donor-restricted endowment) and only the income from such net assets may be expended as specified by the donor or in accordance with the applicable Massachusetts law. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released to net assets without donor restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Net assets with donor restrictions are restricted for the following purposes at June 30, 2021:

## Endowment:

Subject to Organization's spending policy and appropriation Investments (including original donor gifts of \$48,020 to be maintained in perpetuity)	<b>\$330,152</b>
<b>Total endowment</b>	<b>330,152</b>

## Subject to expenditure for specified purposes:

Program activities / Acquisition of property & equipment	<b>159,474</b>
<b>Total subject to expenditure for specified purposes</b>	<b>159,474</b>

<b>Total net assets with donor restrictions</b>	<b>\$489,626</b>
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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows during the year ended June 30, 2021:

## Satisfaction of purpose restrictions:

Program activities	<b>\$43,524</b>
Acquisition of property & equipment	<b>10,240</b>
<b>Total net assets released from restrictions</b>	<b>\$53,764</b>

**Revenue Recognition and Surplus Revenue Retention**

Clients of the Organization are supported by government agencies within Massachusetts, out-of-state government agencies and private payors. Therefore, the Organization is subject to the regulations and rate formulas of the Commonwealth of Massachusetts Executive Office for Administration and Finance Operational Services Division ("OSD"). Revenue is recorded at the Organization's rate of reimbursement as certified by OSD. Program service fees are recognized during the year in which the related services are provided to clients. Program service fees received in advance of the delivery of services are recorded as deferred revenue.

Under the applicable Commonwealth of Massachusetts regulation, the Organization may not retain an annual surplus in excess of 20% of its Commonwealth of Massachusetts program service fees. A surplus in excess of the annual 20% limit is subject to recoupment or may be used to reduce future Commonwealth of Massachusetts program service fees by the Commonwealth of Massachusetts.

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Revenue Recognition and Surplus Revenue Retention (continued)***

During the year ended June 30, 2021, the Organization did not have an annual surplus related to its Commonwealth of Massachusetts program service fees in excess of the 20% limit allowed under the applicable regulation. Non-Commonwealth of Massachusetts revenues are not subject to the regulation but may be subject to other regulatory or contractual limitations.

***Contributions***

Contributions are recognized at the earlier of when received or when a donor declares an unconditional promise to give cash or other assets to the Organization. Conditional promises to give, that is, those with a measurable performance or other barriers to be overcome before the Organization is entitled to the assets transferred or promised, and a right of return or release, are not recognized as contributions revenue until the conditions have been substantially met or waived.

***Donated Materials and Services***

Donated materials are recorded at the fair market value on the date the materials are unconditionally promised to the Organization. Donated services are recorded at fair market value on the date the services are provided if the services create or enhance nonfinancial assets or the services are provided by persons possessing certain skills that would typically need to be purchased if not provided by donation.

***Advertising***

The Organization expenses advertising costs as incurred. Advertising expense totaled \$6,901 and \$911 for the years ended June 30, 2021 and 2020, respectively.

***Functional Allocation of Expenses***

The costs of programs and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include employee compensation and related (consisting of salaries, payroll taxes and benefits), occupancy, various other program and administrative costs, and depreciation. These expenses have been allocated on the basis of estimated time and effort, square footage as well as other reasonable allocation methods.

***Tax Status***

The Organization qualifies under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal and state income taxes.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2018.

**ST. ANN'S HOME, INC.****Notes to Financial Statements**

June 30, 2021

**1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****Comparative 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

***Subsequent Events***

The Organization evaluated events that occurred after June 30, 2021, the date of the Statement of Financial Position, but before the date the financial statements were available to be issued, November 8, 2021, for potential recognition or disclosure in the financial statements. Except as described in Note 8, the Organization did not identify any subsequent events that had a material effect on the accompanying financial statements.

**2 - LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of its programs as well as the conduct of services undertaken to support those activities to be general expenditures.

At June 30, 2021, financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date consist of the following:

Cash and cash equivalents (net of donor-restricted contributions of \$159,474 and custodial funds of \$45,361)	<b>\$13,662,995</b>
Accounts receivable, net of allowance for doubtful accounts	<b>2,776,043</b>
Investments (current portion) without donor restrictions	<b>4,759,481</b>
<b>Total financial assets available within one year</b>	<b>\$21,198,519</b>

In addition, at June 30, 2021, the Organization held long-term investments consisting of Board-designated endowment investments totaling \$2,639,641. Although the Organization does not intend to spend from these investments, other than amounts appropriated for general expenditure as part of its annual budget approval process, those investments can be made available for general expenditure if necessary.

Additionally, the Organization also has a line of credit (see Note 6) that allows for additional borrowings of up to \$1,000,000 for working capital purposes. There were no amounts drawn under this arrangement at June 30, 2021.

**3- FAIR VALUE MEASUREMENTS AND INVESTMENTS**

The Organization applies the provisions of GAAP for fair value measurements of financial assets and financial liabilities, and for fair value measurements of non-financial items that are recognized and disclosed at fair value in the financial statements on a recurring basis. These provisions define fair value as the price that would be received in selling an asset or paid in transferring a liability in an orderly transaction between market participants at the measurement date.

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**3- FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)**

The provisions also establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), a lower priority to significant other observable inputs (Level 2 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under these provisions are described below:

**Basis of Fair Value Measurement**

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Exchange-traded funds and equity securities are valued at quoted market prices, which represent the fair market value of shares held by the Organization at year end.

**Level 2** Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. In addition, consideration is given to discounted cash flow analysis on expected cash flows, the period to maturity as well as observable Floating Rate Indices.

Fair value of the liability under interest rate swap agreement is based on pricing models using prevailing market information as of the determination date and has been computed by the financial institution holding the interest rate swap contract.

The fair value of the certificate of deposit equals the total deposit, plus interest credited.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of RCAB Revolving Loan Fund and Certificate of Deposit investments equal the total deposits, plus interest credited, less any withdrawals.

The asset or liability's measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**3- FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables present assets and liabilities that are measured at fair value on a recurring basis at June 30, 2021 and 2020:

	Total 2021	Level 1	Level 2	Level 3
<b>Assets:</b>				
Equities	\$2,729,184	\$2,729,184	\$ -	\$ -
Exchange-traded funds	211,275	211,275	-	-
Money market funds	29,334	29,334	-	-
Certificate of deposit	257,354	-	257,354	-
RCAB Revolving Loan Fund	4,502,127	-	-	4,502,127
	<b>\$7,729,274</b>	<b>\$2,969,793</b>	<b>\$ 257,354</b>	<b>\$4,502,127</b>

<b>Liabilities:</b>				
Liability under interest rate swap agreement	\$ 374,692	\$ -	\$ 374,692	\$ -

	Total 2020	Level 1	Level 2	Level 3
<b>Assets:</b>				
Equities	\$1,597,440	\$1,597,440	\$ -	\$ -
Exchange-traded funds	128,968	128,968	-	-
Money market funds	398,309	398,309	-	-
Certificate of deposit	256,392	-	256,392	-
RCAB Revolving Loan Fund	2,227,691	-	-	2,227,691
RCAB Certificate of Deposit	2,117,879	-	-	2,117,879
	<b>\$6,726,679</b>	<b>\$2,124,717</b>	<b>\$256,392</b>	<b>\$4,345,570</b>

<b>Liabilities:</b>				
Liability under interest rate swap agreement	\$ 551,671	\$ -	\$ 551,671	\$ -

The following summarizes the Organization's Level 3 reconciliation for the RCAB Revolving Loan Fund and RCAB Certificate of Deposit for the years ended June 30, 2021 and 2020:

	2021	2020
Beginning balance	\$4,345,570	\$3,920,799
Purchases	100,000	362,937
Interest	56,557	61,834
Ending balance	<b>\$4,502,127</b>	<b>\$4,345,570</b>

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**4 – ENDOWMENT FUNDS**

The Organization follows the provisions of GAAP regarding the net asset classification of funds subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act. These provisions provide guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations that are subject to enacted versions of the *Uniform Prudent Management of Institutional Funds Act of 2006* ("UPMIFA") and also require disclosures about an organization's donor-restricted and board-designated endowment funds.

***Interpretation of Relevant Law Regarding Net Asset Classification and Appropriation***

Based on the Massachusetts Uniform Prudent Management of Institutional Funds Act ("MA UPMIFA"), management has interpreted relevant Massachusetts law as requiring the preservation of the fair value of the original gift as of the gift date ("historical dollar value") of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Massachusetts law. The Organization considers the following factors, in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. the duration and preservation of the endowment fund;
2. the purposes of the Organization and the donor-restricted endowment fund;
3. general economic conditions;
4. the possible effect of inflation or deflation;
5. the expected total return from income and the appreciation of investments;
6. other resources of the Organization; and
7. the investment policy of the Organization.

***Funds with Deficiencies***

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by Massachusetts law (underwater endowments). The Organization has interpreted Massachusetts law to permit spending from underwater endowments in accordance with prudent measures required under the law. In accordance with GAAP, deficiencies of this nature are to be reported in net assets with donor restrictions. There were no such deficiencies as of June 30, 2021.

***Return Objectives and Risk Parameters***

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and activities supported by its endowment, while also maintaining the purchasing power of those endowment assets over the long-term. Under this approach, the endowment assets are invested in a manner that is intended to produce results that equal or exceed relevant benchmarks while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.



**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**4 – ENDOWMENT FUNDS (continued)****Strategies Employed for Achieving Objectives**

To satisfy its objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation strategy with a mix of equity-based and fixed-income investments to achieve its long-term return objectives within the guidelines of its investment policy and prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

In an attempt to grow its endowment, the Organization has temporarily established a policy of not appropriating for distribution any of its endowment funds (including those endowments deemed to be underwater, if any). In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, some of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation.

The Organization expects the current deferral of spending of its endowment funds to increase the value of its endowment funds such that the funds can provide a more predictable stream of income to the Organization, consistent with its objective of maintaining the purchasing power of the endowment assets as well as providing additional real growth through investment return.

The Organization's endowment by net asset class consisted of the following at June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$2,639,641	\$ -	\$2,639,641
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	48,020	48,020
Accumulated investment gains	-	282,132	282,132
<b>Total</b>	<b>\$2,639,641</b>	<b>\$330,152</b>	<b>\$2,969,793</b>

The following is a reconciliation of the beginning and ending balance of the Organization's endowment in total and by net asset class for the year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, beginning of year	\$1,883,816	\$241,101	\$2,124,717
Investment return:			
Investment income	32,543	4,165	36,708
Net realized and unrealized gains	664,185	85,015	749,200
Total investment return	696,728	89,180	785,908
Contributions	60,308	-	60,308
Fees	(1,011)	(129)	(1,140)
<b>Endowment, end of year</b>	<b>\$2,639,641</b>	<b>\$330,152</b>	<b>\$2,969,793</b>

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**5 – PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consisted of the following at June 30:

	2021	2020
Buildings	\$21,832,207	\$21,363,328
Land	1,365,949	1,186,697
Building improvements	5,430,870	5,227,989
Motor vehicles	463,597	434,519
Furniture and equipment	1,398,022	1,347,834
Construction-in-progress	5,000	-
	<b>30,295,645</b>	<b>29,560,367</b>
Less accumulated depreciation	<b>14,242,522</b>	<b>13,137,591</b>
	<b>\$16,053,123</b>	<b>\$16,422,776</b>

Depreciation expense totaled \$1,104,931 and \$1,082,731 for the years ended June 30, 2021 and 2020, respectively.

**6 – LINE OF CREDIT**

The Organization has a revolving line of credit agreement ("Revolving Line") with a bank. The Revolving Line allows the Organization to borrow up to \$1,000,000, payable on demand with interest at the bank's prime rate (3.25% at June 30, 2021 and 2020). The Revolving Line is secured by all assets of the Organization. No amounts were borrowed under the Revolving Line during the years ended June 30, 2021 and 2020.

**7 – CAPITAL LEASE OBLIGATION**

The Organization is party to a lease agreement for certain equipment that expires in February 2024. The lease meets the criteria of a capital lease and, accordingly, has been recorded as such.

The following is a summary of leased assets included in property, plant and equipment at June 30, 2021:

Property, plant and equipment	\$98,947
Less accumulated depreciation	(30,465)
	<b>\$68,482</b>

Future minimum lease payments required under the capital lease and present values for the years ending June 30 are as follows:

2022	\$27,392
2023	27,392
2024	18,262
Total minimum lease payments	<b>73,046</b>
Less amounts considered interest	(4,564)
Present value of minimum lease payments	<b>\$68,482</b>

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**7 – CAPITAL LEASE OBLIGATION (continued)**

The present value of minimum lease payments is recorded in the Statement of Financial Position as follows:

Capital lease obligation, current portion	<b>\$24,672</b>
Capital lease obligation, less current portion	<b>43,810</b>
<b>Present value of minimum lease payments</b>	<b>\$68,482</b>

Interest expense incurred on the above capital lease totaled \$3,863 and \$2,196 for the years ended June 30, 2021 and 2020, respectively.

**8 – LONG-TERM DEBT**

Long-term debt consisted of the following at June 30, 2021 and 2020:

***Mass Development***

On March 8, 2007, the Organization entered into a loan and trust agreement (the "Agreement") with the Massachusetts Development Finance Agency ("Mass Development") and TD Bank, N.A. ("TD Bank"), to borrow the proceeds of a 30-year revenue bond totaling \$8,500,000 with interest at a variable rate.

The loan proceeds were used to retire existing debt of approximately \$1,300,000 and establish a construction fund to finance the construction of the Organization's adolescent center. Monthly principal payments commenced on January 8, 2008 and will continue until the bond's maturity date in March 2037. Monthly principal payments averaged \$18,725 for the year ended June 30, 2021. Interest is payable monthly at a variable rate (1.61% and 1.67% at June 30, 2021 and 2020, respectively) based on the London Interbank Offered Rate ("LIBOR").

The Agreement is secured by certain real and personal property of the Organization. As part of the Agreement, the Organization must comply with various financial and other covenants.

***Construction Note Payable***

During the year ended June 30, 2015, the Organization borrowed \$1,800,000 under a promissory note payable with TD Bank for the purpose of funding certain construction costs. The note payable bore interest at a rate of 3.85% until May 2021 when the loan was paid off.

Interest paid on the construction note payable totaled \$48,901 and \$57,418 during the years ended June 30, 2021 and 2020, respectively.

At June 30, 2021 and 2020, the Mass Development and Construction notes payable were as follows:

	2021	2020
Mass Development Finance Agency Revenue Bond	<b>\$6,352,276</b>	\$6,576,976
Construction note payable	-	1,411,936
	<b>6,352,276</b>	7,988,912
Less current portion	<b>(239,748)</b>	(330,508)
Less unamortized deferred loan costs	<b>(27,437)</b>	(47,660)
<b>Long-term portion</b>	<b>\$6,085,091</b>	\$7,610,744

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**8 – LONG-TERM DEBT (continued)**

Estimated principal maturities of long-term debt are as follows for the years ending June 30:

2022	\$ 239,748
2023	255,804
2024	272,934
2025	291,210
2026	310,710
Thereafter	4,981,870
	<u>\$6,352,276</u>

As of June 30, 2021 and 2020, the Organization had incurred deferred loan costs totaling \$106,315 and \$149,702, respectively, in connection with its various loan agreements. The unamortized balance of these deferred costs, which are being amortized using the effective interest rate method over the terms of the related loans, totaled \$27,437 and \$47,660 as of June 30, 2021 and 2020, respectively. The amortization of these costs totaled \$20,223 and \$9,409 for the years ended June 30, 2021 and 2020, respectively.

In September 2021, the Organization made an additional principal payment against the Mass Development bond payable totaling \$1,063,527. This principal payment enabled the entire outstanding balance of the bond payable to be subjected to the interest rate swap agreement described in Note 9, effectively fixing the interest rate at 3.98% for the term of the swap agreement. This payment was not considered when determining estimated future principal maturities described above.

**9 – INTEREST RATE SWAP AGREEMENT**

The Organization's loan from TD Bank currently bears interest at a variable rate based on the LIBOR rate. The Organization executed an interest rate swap agreement (the "Swap") with a bank counter party on 80% of the outstanding loan balance to manage the variability of the cash flows attributable to interest payments on the note payable and does not use the Swap for speculative purposes. The purpose of the Swap was to effectively convert a portion of the variable interest rate on the loan to a fixed rate of 3.98% on approximately 80% of the outstanding loan amount for a period of ten years through June 2025.

Interest expense for the years ended June 30, 2021 and 2020 totaled \$230,806 and \$253,582, respectively, representing an effective interest rate of 3.57% and 3.80% on the entire loan payable for the years ended June 30, 2021 and 2020, respectively.

Under the provisions of GAAP, an interest rate swap agreement is considered a hedging activity and the Organization is required to recognize a gain and related asset or a loss and related liability as a result of the hedging activity.

During the years ended June 30, 2021 and 2020, the Organization recognized a gain of \$176,979 and a loss of \$186,959, respectively, which have been reported in the Statement of Activities. At June 30, 2021 and 2020, the Organization has reported a liability in connection with the Swap in the amount of \$374,692 and \$551,671, respectively, which have been reported on the Statement of Financial Position.

If the Organization does not terminate the agreement prematurely, the liability at June 30, 2021 would be recognized as a gain by the expiration of the terms of the agreement. As of June 30, 2021, the Organization does not intend to prematurely terminate the agreement.

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**10 – RETIREMENT PLAN**

The Organization maintains a defined contribution retirement plan (the "Plan") for the benefit of its employees. Participants are eligible to make voluntary contributions on a tax-deferred basis after completing one year of service that includes at least 650 hours and having attained the age of 18. Participants are eligible to receive employer profit-sharing contributions after completing two years of service that includes at least 650 hours in each year and having attained the age of 18. Per diem and temporary employees are not eligible to participate in the Plan. For the years ended June 30, 2021 and 2020, the Organization contributed to the Plan at a rate of .5% of eligible wages. The Organization's contributions to the Plan, including administrative costs, totaled \$752,738 and \$707,704 for the years ended June 30, 2021 and 2020, respectively.

**11 – CELL TOWER RENTAL**

The Organization has entered into agreements with two wireless communication providers to install wireless cell tower devices on the Organization's property for the operation of a wireless communications site. As part of the agreements, the providers pay monthly rent to the Organization, which increase on an annual basis. The agreements expire in December 2023 and November 2024, with renewal options at the lessee's discretion.

Expected future payments under these agreements are as follows for the years ending June 30:

2022	\$ 55,882
2023	56,905
2024	47,069
2025	12,178
	<u>\$172,034</u>

The Organization received \$56,805 and \$53,925 of rental income under these agreements during the years ended June 30, 2021 and 2020, respectively.

**12 – OPERATING LEASES**

The Organization leases office equipment under various operating leases expiring through April 2023. Rent expense totaled \$15,692 and \$22,345 for the years ended June 30, 2021 and 2020, respectively.

Future minimum payments under non-cancelable operating leases are as follows for years ending June 30:

2022	\$1,056
2023	880
	<u>\$1,936</u>

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**13 – INTEREST EXPENSE**

Interest expense consisted of the following for the years ended June 30, 2021 and 2020:

	2021	2020
TD Bank tax-exempt bond (inclusive of swap agreement)	\$230,806	\$253,582
TD Bank construction note payable	48,901	57,418
Capital lease obligation	3,863	2,196
Amortization of deferred loan costs	20,223	9,409
	<b>\$303,793</b>	<b>\$322,605</b>

**14 – LEGAL MATTERS**

The Organization is involved in certain legal matters arising in the normal course of business. Although the ultimate outcome of these matters is uncertain at June 30, 2021, management believes that the matters will not have a materially adverse effect on the financial position of the Organization, as any risk of an unfavorable outcomes are covered by the Organization's insurance coverage through the RCAB. Accordingly, no provision or liability has been made in the accompanying financial statements for these matters.

**15 – RELATED PARTY ACTIVITY*****Relationship with The Roman Catholic Archbishop of Boston, A Corporation Sole and Catholic Social Services, Inc.***

The Organization's sole corporate member is Catholic Social Services, Inc. ("CSS"), which operates under the auspices of the Roman Catholic Archbishop of Boston, A Corporation Sole ("RCAB").

The Organization purchases its workers' compensation, auto, property and liability insurance through the RCAB. Insurance expense for these policies were the following for the years ended June 30, 2021 and 2020:

	2021	2020
Comprehensive & General Liability	\$ 69,678	\$ 70,737
Automobile	56,750	51,386
Property Insurance	102,150	82,226
Director's & Officer's Liability	11,996	10,431
Workers Compensation	157,860	130,624
	<b>\$398,434</b>	<b>\$345,404</b>

As discussed in Note 3, the Organization has deposited funds for investment purposes with the RCAB. The Organization's balance in the RCAB's revolving loan fund totaled \$4,502,127 and \$2,227,691 at June 30, 2021 and 2020, respectively. Additionally, the Organization had a certificate of deposit maintained by the RCAB totaling \$2,117,879 at June 30, 2020. The Organization transferred the balance of the certificate of deposit to the RCAB revolving loan fund during the year ended June 30, 2021.

**ST. ANN'S HOME, INC.**

Notes to Financial Statements  
June 30, 2021

**16 – COMMITMENTS AND CONTINGENCIES**

***Contingencies***

On March 13, 2020, a national emergency was declared in the United States as a result of the COVID-19 pandemic. This ongoing public health crisis has had a significant and wide-ranging effect on the United States and local economies. Although management continues to actively assess and respond to the pandemic and related government orders for public health and safety, the longer-term impact of the pandemic on the Organization's operations and financial position cannot be reasonably determined at this time.

***Funding Sources***

In accordance with the terms of its contracts with the Commonwealth of Massachusetts, the records of the Organization are subject to audit. Therefore, the Organization is contingently liable for any disallowed costs.

A substantial portion of the Organization's program service fees and receivables are received from Commonwealth of Massachusetts government agencies, cities and towns, and other government funding sources.

***Concentration of Credit Risk***

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk relative to cash and cash equivalents.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported on the Statement of Financial Position.

**17 – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

During the year ended June 30, 2020, the Organization acquired equipment totaling \$98,947 under a capital lease agreement.



## Board of Trustees

### **Stephanie Aznoian - Board Chair**

Stephanie is the Chief Financial Officer for Foxx Life Sciences. She has also held CFO roles throughout her career in startup companies in the Biotech and Technology Industry. She served as the National Treasurer for the Armenian Network of America for nine years and was an instructor at the Boston Center for Adult Education. She graduated from Bentley University with a bachelor's degree and then obtained her master's degree in Taxation from the D'Amore-McKim School of Business at Northeastern University. Stephanie lives in Methuen MA and has been on the board of St. Ann's for over 15 years.

### **Reverend J. Bryan Hehir – Treasurer**

**Father Hehir** is the Parker Gilbert Montgomery Professor of the Practice of Religion and Public Life. He is also the Secretary of Health and Social Services on the staff of Cardinal Sean O'Malley in the Archdiocese of Boston. Previously he served on the faculty of Georgetown University's School of Foreign Service (1984-92) and on the Harvard Divinity School faculty. From 2002-2003 he was President of Catholic Charities USA, the nationwide network of social service agencies for the Catholic church in the United States. In the Archdiocese of Boston, Fr. Hehir represents Cardinal O'Malley to four social service agencies and also serves as a liaison to Catholic health systems in the Archdiocese. He was a member of the Vatican Delegation to the United Nations (1973 and 1978). At Harvard Kennedy School he is a Faculty Associate at the Carr Center for Human Rights and at the Safra Center for Ethics and the Professions. His teaching, research and writing focus on ethics and foreign policy and the role of religion in world politics and in American society. Fr. Hehir is a recipient of the MacArthur Award, the Laetare Award (University of Notre Dame), the American Academy of Religion's Martin E. Marty Award for the Public Understanding of Religion, and the Kennedy School's Carballó Award for excellence in teaching. He has been on St. Ann's board for over 15 years.

### **Steve Rosenberg**

Steve has had a 40-year career in the software business and has led successful organizations. He retired from Oracle in July of 2020. He and his wife have started a non-profit called The One By One Project ([www.theonebyoneproject.org](http://www.theonebyoneproject.org)) to help those in need in the greater Boston area. Steve has been on the St. Ann's board since 1999. He also is the chairman of the board at the Brandon School in Natick.



### **Peter Quinlan**

Peter is a Senior Vice-President at FRED C. CHURCH, INC. He has been part of the Fred C. Church family since 1991. He started as a commercial insurance producer/account executive. Peter graduated from College of the Holy Cross in 1984 with a Bachelor of Arts. His specialties include manufacturing/distribution, commercial and residential real estate, wholesale distribution and alternative risk financing. He lives in Andover with his wife and has three grown children. He has ben on St. Ann's board for 17 years.

### **Richard Deyermond**

Richard Deyermond serves as an Executive with NewsBank, Inc. based in Chester VT. An Executive with over 30 years of experience in Operations, he has been a board member at St. Ann's for 15 years. Mr. Deyermond was born and raised in the Merrimack Valley area and currently resides in Southern New Hampshire. He holds an MBA from Northeastern University in Boston, Massachusetts.

### **James MacMillan Jr.**

Jim is a former student at St. Ann's School, graduating from the elementary school back in 1976. He received his B.S. in Finance from Babson College and is a Sr. Consultant with the Advisory and Planning Group of a major financial services firm. Jim resides in New Hampshire with his family. He has been a board member for more than 10 years.

### **Marilyn Andrews – Secretary**

Marilyn is a Special Education Advocate with her own practice serving families of students ages 3-22. She served as the past President of the Malden Special Education Parent Advisory Council from 2011-2018. During her tenure, she created a collaborative model used to improve communication between the parents/guardians and the Special Education staff. Marilyn taught elementary school for 18 years. She serves as the Clerk for Malden's newly formed Disability Commission and on DMH's Family Advisory Council. Marilyn has received a bachelor's degree in Elementary Education, with a specialization in Early Childhood Education and has completed the course requirements for a Master's in moderate special needs. Marilyn has been on the board at St. Ann's since 2013.

### **Father Christopher Casey**

Fr. Christopher J. Casey was raised in Lawrence Massachusetts and is a graduate of Lawrence High School. After completing a bachelor's degree in Human Services, he began a twenty-year career in serving the Deaf and Hard of Hearing community in Massachusetts at a small nonprofit based in Boston called DEAF, Inc. He entered Pope Saint John XXIII National Seminary in Weston, Massachusetts in 2003 and was ordained a priest for the Archdiocese of Boston in 2007. He served parishes in Dracut and Arlington before being named Pastor of Our Lady of Good Counsel Parish in 2010 where he currently serves. In 2015 he was named Vicar Forane for the local vicariate, a position that includes ensuring active communication between the

Archbishop, Regional Bishop, and the local Catholic Clergy. Fr. Casey also serves as the Chaplain for the Lawrence Fire Department. He has been on St. Ann's board since 2014.

**Ron Desjardins**

Ron Desjardins is an accomplished IT executive with over 25 years in the field. As a senior director he has extensive experience in Information Technology Management, Database Technologies, and Financial and Healthcare Systems. His passion for helping others succeed is evident in work as a transformational leader and change agent in the companies he has led to success. Ron has been a board member for 5 years.

# Joseph T. Cronin



## **Education**

Northern Essex Community College – Haverhill, MA  
Nonprofit Management Certificate Program (Current)

Salem State College – Salem MA  
Masters of Social Work (2004)  
Concentration in children & family counseling and "macro" studies

Westfield State College – Westfield MA  
Bachelor of Arts: Social Science & Psychology (1991)  
Studies: Social Work, Counseling, Criminal Justice

## **Professional Experience**

St. Ann's Home Inc. – Methuen MA (1991-2019)

### President and CEO

- Plan, implement, and evaluate all agency treatment programs, auxiliary treatment services, and support services
- Establish and implement the agency's personnel policies, including the hiring and dismissal of all personnel
- Supervise all fiscal matters within the guidelines set by the Board of Trustees, including the preparation and administration of the annual budget
- Liaison with all state agencies and funding sources; insuring compliance with all regulations regarding program licensing, personnel practices, and facility safety
- Cooperate with other Archdiocesan agencies; and representation of St. Ann's Home, Inc. to the community through direct contact with professional, business, and other groups.
- Responsible for maintaining and improving the agency's infrastructure, including IT resources, within the context of the budget and ever evolving needs and changes impacting our operation.
- Final authority in all treatment decisions and employee grievances which require the attention of a senior administrator.
- Provides strategic leadership of the organization to assure that St. Ann's Home, Inc. successfully adapts to the ever-changing dynamics in the complex market served by the corporation.
- Responsible for the supervision of the Senior Management Team.
- Responsible for establishing fair and effective means of communication and decision-making in all programs and for all employees.
- Chair a weekly planning meeting which is attended by the members of the Senior Management Team.
- Coordinates the activities of the Board of Trustees and performs such other duties as may be assigned by the Board of Trustees or by the Member.

**Vice President of Care**

- Designee to act in the President/CEO's absence
- Senior management team member 10+ years
- Participant in St. Ann's Board of Trustees meetings
- Mentor for other senior management team members
- Responsible for fiscal oversight of the residential program and to ensure all of St. Ann's budgetary needs are met
- Responsible for the direct oversight of the residential program and the admissions department (over 200 staff and 150 residents)
- Direct supervisory responsibility for four senior management team members
- Primary liaison with funding resources, licensing entities & local and state agencies
- In conjunction with the CEO make all final decisions regarding admissions
- Responsible for establishing, implementing and maintaining all residential program and agency wide policies and procedures
- Work closely with CEO and facility coordinator to ensure all safety standards are met
- Involved in hiring, progressive discipline, support and dismissal of employees
- Work directly with CEO to strategically plan for and implement any necessary action to successfully address expected or unexpected market shifts and industry changes
- Coordinate and manage all risk management initiatives, critical incidents, crisis situations and investigations
- In conjunction with the CEO, manage DEEC, DCYF, DCF, DMH and DESE licensing & contractual requirements, proposals and applications
- Instrumental in ensuring St. Ann's diversification of revenue, by creating new programs, identifying new referral sources and increasing programming
- Developed and implemented new training curriculum for residential staff
- Assist with marketing St. Ann's programs and establishing long-term respected and meaningful relationships with referral sources, clients and community partners
- Oversee residential administrative, clinical, treatment and programmatic decisions
- Help identify infrastructure needs and establish and maintain solutions that are viable

**Admissions Director**

- Senior management team member
- Team leader in the development of and fundraising for St. Ann's first capital campaign for an \$8 million adolescent center
- Responsible for reviewing referral packets for appropriateness of placement and coordinating case coverage
- Responsible for establishing and keeping consistent communication with referral resources to ensure an efficient and effective admission process
- Responsible for developing and maintaining a professional and productive relationship with collaterals and referral sources
- Responsible for tracking referral information and keeping data recorded in a systematic manner in which it can be utilized to maximize admission process and revenue
- Responsible for maintaining an enrollment level that reflects an appropriate balance between the business and clinical needs of the organization
- Liaison between St. Ann's Home and state agencies, school districts, insurance companies and several community organizations
- Responsible for coordinating and attending marketing events that allows St. Ann's to maintain a strong market share within the context of the market we serve
- Assist the residential program directors to address the various needs of the residential program, including licensing reviews, critical incidents and resident and staffing issues
- Assisted in the writing of proposals for the DCF/DMH Caring Together contract
- Chairperson for the strategic planning milieu committee

### Residential Supervisor

- Responsible for the supervision and training of over 100 direct care staff
- Directly work with over 100 emotionally disturbed children ages 5-17
- Work with therapeutic team to design/implement and approve children's individualized treatment plans and behavioral programs
- Approve unit scheduling, overtime and budgeting
- Responsible for decisions regarding behavior management of children
- Coordinate communication and foster effective collaboration between the community, other human service agencies and St. Ann's
- Interview perspective employees and oversee the evaluations of current employees
- Designated to act in the place of the director of the residential program in his absence
- Responsible for on-call coverage throughout the year and intake evaluations
- Responsible for the safety of children and staff during emergency and crisis situations

### Unit Director

- Responsible for maintaining a safe, nurturing and therapeutic environment for the children and a fun, supportive and work friendly atmosphere for staff members
- Oversee unit scheduling, budgeting and the completion of administrative paperwork
- Attend and participate in IEP meetings, foster care reviews, case conferences
- Collaborate with various community organizations, including DMH, DCF, DCYF and specialized foster care agencies, including MBHP-managed contracts
- Co-led psycho-educational fire safety groups and groups for children who witnessed domestic violence (through Holy Family Hospital Family Safety Project).
- Directly trained, supervised and evaluated 12 child care staff

### Therapist

- Responsible for individual and family therapy for children living in the residential program
- Completed therapeutic treatment plans, case conference reports, child and family assessments and individualized education plans
- Attended foster care reviews, IEP meetings, case conferences, educational review meetings and weekly treatment team meetings
- Collaborate and communicate efficiently with outside agencies, families and schools

### Child Care Counsellor

- Directly supervised 15 children within the residential program ranging in age from 5-15
- Provided a safe and positive experience for children and assisted them with daily living and social skills
- Implemented effective behavior management techniques
- Provided for the physical, emotional and medical needs of residents through direct care and adherence to individualized treatment programs
- Responsible for the clothes shopping and food shopping for the unit
- Completed time sheets and account books in the unit director's absence
- Prepared log entries and case conference reports
- Acted as the liaison between the public school system and residential program

### Consultant - Holy Family Hospital (Family Safety Project) Methuen, MA (1998-2016)

- Co-facilitated batterer's intervention groups for men who battered their intimate partner
- Taught offenders alternatives to coercive, dominating and violent behavior
- Collaborated with criminal justice system, human service providers, and battered women's programs to end domestic violence
- Monitored the behavior of the men in the program and reported non-compliance

**Loaned Executive – United Way of Merrimack Valley**

- Established a sound understanding of fundraising and built an appreciation for how strong relationships and partnerships between businesses, municipal and nonprofit organizations solve community wide problems
- Built philanthropic capital for the United Way and its 100 supported health and human service programs. This was accomplished through strategic work place and individual solicitations
- Managed a private/public United Way strategic community initiative called Summer Experiences in Greater Lowell. The purpose of the project was to engage at risk youth in summer programming that provided a positive, safe, educational and self-esteem building opportunity. Through a partnership with local businesses, major corporations and the community, the United Way was able to raise over \$80,000 for these youth, with 100% going directly into the summer program

**Accomplishments and Activities**

- Directed and oversaw the implementation of 2 new programs, 3 new group homes and 1 new residential and administrative building
- Through strong relationship building, marketing, program expansion and direct interaction as admissions director, increased St. Ann's census by 50 residents, increasing revenue by over \$8 million
- Led employee capital campaign for funding of St. Ann's new adolescent center
- Special Olympics of Massachusetts coach and volunteer
- Through direct solicitation, raised \$80,000 as a United Way volunteer for summer program
- St. Lucy's Catholic Church Men's Guild and Religious Education Teacher
- Methuen Youth Soccer and Baseball Coach
- Cancer and Heart fundraising volunteer
- Methuen Public School parent volunteer

**References available upon request**

## Stephen Steiner, SHRM-SCP

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Accomplished Human Resource executive with highly regarded organizational, interpersonal and management skills. Adept at directing all HR functions including recruiting, talent development, employee relations, HRIS technology, total rewards, and strategic planning. Developed a passion for coaching, mentoring and delivering top performance during previous career years in arts management. Other areas of proven capability include project management, labor relations, compliance, and finance/cost control.

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### **PROFESSIONAL EXPERIENCE**

**ST. ANN'S HOME & SCHOOL, Methuen, MA**  
**Chief Administrative Officer – beginning 7/1/2019**  
**Director of Human Resources**

2007-Present

- Assists the President & CEO in supervising the daily operations of St. Ann's Home; responsible for the performance of departments as assigned to manage by the CEO; ultimately responsible for assisting in making the business function efficiently.
- Provide HR leadership to 350 employees.
- Ensure regulatory and legal compliance for all employment-related matters, including CORI, background checks and personnel policies, as well as licensing by the Department of Early Education & Care (DEEC) and Department of Elementary & Secondary Education (DESE).
- Administer all agency benefit plans including Health/Dental, Vision, Disability/Life, Flexible Spending Accounts, 401K/Pension. Streamlined open enrollment process. Works with brokers to maintain consistent positive financial results in medical insurance premium costs, and senior management on finding creative ways to redesign plans to reduce expenses and improve outcomes.
- Administer and ensure compliance for COBRA, FMLA, OSHA and Workers Compensation.
- Create and track HR budgets, prepare for annual financial and retirement plan audits.
- Works to improve employee relations and organizational climate through a number of initiatives, including focusing efforts of agency personnel committee to elicit more valuable feedback from staff, finding creative ways to recognize accomplishments of staff, such as implementing a "Way to Go!" board in the agency lobby.
- Modernized HR systems, streamlined applicant tracking systems, initiated use of an employee portal for more efficient communication and led efforts to encourage and educate staff to utilize technology effectively.
- Collaborates in developing compensation policies to better serve the needs of the agency, to achieve internal and external equity and to be more in line with current practices.
- Works to implement employee wellness initiatives, aligning them with agency core values as well as agency initiatives to provide the best in Trauma Informed Care to clients.
- Serves on senior management team; works as part of leadership teams in agency-wide strategic planning and accreditation initiatives.

**BOSTON LYRIC OPERA, Boston, MA**  
**Director of Productions**

1995-2006

Responsible for overseeing all aspects of production operations including artistic, technical, and educational programming.

- Managed full time administrative staff of five, seasonal staff of twenty, 100+ staff per production including singers, chorus, orchestra, designers, and technicians. Recognized for recruiting top talent through interview or audition. Mentored several aspiring professionals as interns and apprentices.
  - Negotiated collective bargaining agreements with several unions, assuring compliance with agreements.
  - Responsibility for annual budgets of up to \$5M, with a proven track record of favorable financial results.
  - Collaborated on long range and strategic planning utilizing The Balanced Scorecard.
  - Interfaced regularly with Board of Directors; facilitated the creation of an Artistic Policy Committee of the Board.
  - Represented the company to internal and external constituencies on delivering overall company positioning and organizational messages.
  - Expert project manager, including large scale, public projects. In 2002, produced CARMEN ON THE COMMON, free outdoor multimedia performances on the Boston Common with an audience of 140,000 over two evenings.
  - Invited regularly to speak on various topics for lectures, arts conventions, etc., and to sit on grant review panels.
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## **Stephen Steiner, SHRM-SCP**

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### **BOSTON UNIVERSITY COLLEGE OF FINE ARTS**

**1988-1995**

#### **Assistant Professor - Music Director, Boston University Opera Institute**

- Developed curriculum, course work and training activities at the core of developing talent.
- Supervised musical studies of students; provided training in language, performance techniques.
- Conducted productions and supervised musical preparation of all programming.
- Provide master classes and private sessions on career development, vocal coaching, and the business of singing.

### **HIGHLIGHTS OF CONSULTING/CONTRACT POSITIONS**

#### **OPERA THEATRE OF SAINT LOUIS**

**1992-1997**

##### **Head of Music Staff • Young Artist Ensemble Program Supervisor**

- Hired and managed music staff of five coach/accompanists.
- Liaison to conductors, responsible for upholding standards of quality.
- Auditioned over 400 singers nationally each year, bringing the finest in young talent into the program.

#### **HOUSTON GRAND OPERA**

##### **Guest Principal Coach • Guest Faculty, Houston Opera Studio**

#### **THE BOSTON CONSERVATORY AT BERKLEE**

##### **Instructor of Operatic Diction**

#### **CHAUTAUQUA INSTITUTION**

##### **Head of Music - Summer Vocal Program**

#### **HANDEL & HAYDN SOCIETY, Boston**

##### **Consultant - Future Season Planning**

#### **VOCAL COACHING STUDIO**

- Highly regarded nationally for exceptional results mentoring and developing operatic talent, in one-on-one sessions and in master classes, with students regularly winning major competitions and going on to careers with the most prominent US opera companies.
- Adjudicated numerous major national vocal competitions.

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### **EDUCATION & PROFESSIONAL CREDENTIALS**

Master of Music, Indiana University School of Music; Graduated With Distinction  
Bachelor of Arts, Gettysburg College; Graduated Magna Cum Laude, Phi Beta Kappa

Society of Human Resource Management Senior Certified Professional (SHRM-SCP)

Member - Society for Human Resource Management (SHRM)

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**MARYBETH GILMORE**

**Summary:** Successful experience in non-profit, public, and corporate financial management. Especially skilled at building bridges between finance and other operations; developing and implementing strong systems.

- Single Audits
- Budget & Forecasting
- Grant Compliance
- Investment Accounting/Analysis
- Risk Assessment
- Cash Flow
- Financial Analysis/Reporting
- Form 990
- Operational Audit
- UPMIFA Compliance
- Uniform Financial Report (UFR)
- Cash Management
- Fund Accounting
- Internal Control Review
- Policies & Procedures
- System Implementation

Systems Experience: Wide range of client server applications.

**Experience:** Chief Financial Officer, St. Ann's Home, Methuen, MA

Residential, School, Outpatient Clinic for children and adolescents ages 5-18 with emotional and behavioral disabilities.

- Recruited to help the organization recover from criminal fraud from predecessor.
- Designed and Implemented internal controls to prevent recurrences of fraudulent transactions
- Replaced antiquated financial accounting system with Intacct; iCentrix medical billing EHR, with CareLogic
- Improved disbursement security protecting the organization from fraud;
- Improved cash flow and internal controls by installing an electronic cash receipt system;
- Led organization's Forensic, Annual and IRS Audits.

Senior Consultant, Accounting Management Solutions, Waltham, MA

- Provided consulting services to organizations for financial outsourcing including interim CFO, Controller functions.
- Turnaround management; provided financial advice and counsel to the CEO, management team and Board.
- Improved internal controls, timeliness, client reporting, and federal & state taxes, including Forms 5500, 990.
- Managed long and short-term cash flow; working capital; letters of credit; treasury functions.
- Identified \$11M cash flow issue, allowing client to increase line of credit and prevented closure of organization
- Reconciliation of accounts/contracts/grants/UPMIFA compliance.
- Reviewed, developed, and improved accounting and reporting systems to reflect agency's and funder's requirements.
- Reviewed contract/grant requirements, budgets to actuals for accuracy in Funder reporting
- Managed contracting, invoicing, and collection activities.
- Led organizations' annual audit and schedule preparation.

Acting Director of Finance & Facilities/Consultant, Boston University School of Law, Boston, MA

Major University School of Law ranked #20 in nation by *U.S. News & World Report* with over 1,000 students.

- Handled all aspects of fiscal administration, budgeting and human resource management.
- Developed the annual budget and assist Dean in preparing for the School's annual budget hearing.
- Managed and developed the capital budget, expenditures include, but are not limited to costs associated with major facility projects.
- Worked with all departments to effectively forecast revenue and to identify and solve budget problems.
- Strategic management of School's resources developed and applied appropriate performance metrics, and collecting peer institution data.
- Dissemination of University fiscal policy and development and implementation of additional internal controls.
- Managed all aspects of the School's physical plant, including coordination of construction projects from design to completion, space and physical inventory, office allocations, and daily maintenance.

Chief Financial Officer, Weston Jesuit School of Theology, Cambridge, MA

Vice President, Weston College Corporation

A post graduate Theological Center offering Master and Doctoral degrees.

- Executive oversight for financial, business, and support operations.
- Responsible for financial planning and budgeting, controller functions, cash and investment management,
- Human Resources, telecommunications risk management, and the physical facilities.

- Information Technology – stabilized network, upgraded systems, troubleshooting, and received certification for being compliant with the New FTC Rule.
- Coordinated and prepared year-end audit.
- Established relationships with banking and investment brokers.
- Prepared and presented monthly, quarterly, and annual financial statements to the President and Finance & Development Committee of the Board of Trustees.
- Implemented internal controls for compliance with the Sarbanes-Oxley Act.

**Business Consultant, Catholic Charitable Bureau of the Archdiocese of Boston**

A social service agency offering 150 social service programs at 52 sites, providing direct care to 186,000 people each year.

- Engaged as a direct report to the President and Chief Operating Officer for operational overview and assessment of financial systems.
- Reviewed a failing profit center and found overlooked revenue for a division losing monies and about to close, turning it into making a profit.
- Prepared UFR, Medicare Reimbursement Report. Federal & State filings.
- Communicated well with non-accountants to enable them to understand financial issues impacting their programs.
- Developed detailed analysis of operational problems, engaged and worked with information systems consultants to review clinical and accounting procedures and developed and documented updated operational procedures for Visiting Nurse Services and Home Health Services, especially new Medicare and Medicaid billing requirements and procedures.

**Chief Financial Officer/V.P. for Finance and Administration, Quincy College, Quincy MA**

A two year higher education institution with enrollments of between 5,000 students at 5 sites.

- Monitored and supervised the work of eight directors in the business office, financial aid, registrar, computer operations, facilities, security, and child care center.
- Ran departments with a limited staff while enrollments increased.
- Managed annual operating budget process and provided guidance to department heads.
- Served as liaison for a number of key services including coordinating and managing the college's relationship with its outside officers ensuring the timely completion of all audit processes.
- Advised the President and the Board of Trustees on the financial health of Quincy College by creating and presenting financial reports and projections.
- Member of the Executive Staff, President's Cabinet, which established college policy and strategies. Member of the Strategic Planning Committee, Co-Chair of computerization committee, Chair of Administrative Council, and Finance Chair of Accreditation Committee.
- Computerized the accounting, business office, and financial aid functions to CMDS.

**Assistant Treasurer, County of Norfolk, Office of the Treasurer, Dedham, MA**

Treasurer's Office providing financial services for Massachusetts Respiratory Hospital, NC Agricultural school, house of correction, registry of deeds, Wollaston Recreational Facility (golf course), engineering, maintenance, advisory board, Commissioner's offices. Treasury functions, county financials, bond issues, strategic planning.

**Account Supervisor, State Street Bank and Trust Company, North Quincy, MA**

**Assistant Supervisor** Mutual Fund Accounting, cash management, investment portfolios

**Management Accountant** International funds, process stock and bond trades, calculate daily NAV

**Education:** Master of Science, Administrative Studies Boston College- Chestnut Hill, MA  
Bachelor of Science, Accounting Boston College- Chestnut Hill, MA

**Professional Memberships:** Financial Executive International 2004- Present  
Financial Executive Networking Group 2004- Present  
Notary Public, Commonwealth of Massachusetts 1987 - Present  
Treasurer's Club of Boston 2016 - Present  
Board of Trustee, Fontbonne Academy 1988-1994  
Board of Trustees, Elizabeth Seton Academy, Treasurer, Finance Chair 2011 - 2012

# Robin L. Duguay



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**Professional Strengths:**

- M.Ed. in Clinical Psychology
  - B.A. in Psychology and English
  - Supervisory and Leadership Experience
  - Excellent Communication Skills (written and oral)
  - Experience with Creation and Implementation of Policies and Procedures in Multiple Settings
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**Education**     **Springfield College, Springfield, MA**  
Masters of Education, awarded May 2005  
Concentration in Clinical Mental Health Counseling

**Quinnipiac University, Hamden, CT**  
Bachelor of Arts, awarded May 2003  
Double Major in Psychology and English

**Experience**     **Network Specialist, November 2015 - present**  
Department of Children and Families, Services Network Northern Region, Lawrence, MA

- Ensure contract compliance for Caring Together providers in the Northeast Region (MA)
- Develop quality assurance plans and protocols in response to identified areas of ongoing need
- Provide training and technical assistance with Virtual Gateway, Rehab Options, CANS, etc... as needed or requested
- Partner with the Department of Early Education and Care (EEC) and Special Investigations Unit (SIU) in response to allegations of institutional abuse/neglect
- Manage requests for additional funding as requested by providers
- Assist in the procurement of additional/expanded programs in the Region
- Partner with other state entities (Department of Mental Health, Department of Early and Secondary Education, Police Departments, etc...) in addressing programmatic concerns and identifying additional resource needs
- Facilitate inter-agency learning opportunities to improve overall service delivery

**Director of Operations - Youth Services, August 2010 – Nov 2015**  
Shared Living Collaborative, Inc., Merrimac, MA

- Oversee operations for program providing therapeutic foster care for children with cognitive, developmental, and medical needs
- Supervise Case Management, Direct-Care, and Administrative staff
- Collaborate with various state agencies to ensure contractual and licensing regulations are met: Department of Children and Families, Department of Mental Health, Department of Developmental Services, Department of Early Education and Care, Massachusetts Behavioral Health Partnership, etc....
- Identify staff training needs and organize or conduct necessary trainings
- Evaluate strategic plan for agency and identify opportunities for continued growth and development

- Assist with writing and submitting multiple responses to state issued Requests for Responses
- Work with Adult Service/Placement Agencies in planning for transitional age youth as they “age out” of DCF placement

**Consultant, February 2009 – Oct 2011**

Department of Children, Youth, and Families, Rhode Island

- Meet with prospective foster/pre-adoptive parents to assess appropriateness to be licensed as placement resources
- Complete thorough written evaluation of applicants personal history, strengths, and training needs
- Ensure potential providers understand and are in compliance with State of Rhode Island Foster Care Regulations

**Family Networks Program Director, August 2009 – August 2010**

MSPCC, Lowell, MA

- Coordinated placement and care of children receiving services through the Department of Children and Families
- Oversaw budget for congregate care and support services for the Lowell Area Office and balanced budget decreases with continued/increased need for services
- Supervised Service Coordinators and Administrative staff in group and individual settings
- Ensured contracted providers were in compliance with state regulations, and identified concerns to the Department of Children and Families
- Supervise Educational Consultant working with Public School Districts to maximize in-district support services and advocate for out of district placements when needed

**Family Networks Service Manager/Coordinator, May 2005 – August 2009**

Key Program Inc, Lawrence, MA & MSPCC, Lowell, MA

- Coordinated placement and care of children receiving services through the Department of Children and Families
- Conducted quarterly utilization/treatment reviews to ensure progress towards identified goals
- Worked to ensure service delivery was appropriately matched to individual needs
- Served as liaison between Department of Children and Families and contracted providers for in-home and out-of-home services

**Boards/Committees**

Human Rights Committee, Shared Living Collaborative  
Planning Board, Town of Kingston NH

**Trainings/Certifications**

Massachusetts Approach to Partnership in Parenting (MAPP) – Certified TOT  
Child and Adolescent Needs & Strengths Assessment (CANS) – Certified TOT  
Positive Behavioral Supports  
Trauma-Informed Care  
Supervisory Training to Enhance Permanency Solutions (STEPS)  
Providers’ Council Training in Human Service/Nonprofit Management  
IDEA/Special Education Law and the IEP Process  
Eligible for Licensure as a Mental Health Counselor and/or Social Worker

**Presentations**

Keynote: The Caring Together Initiative – State Agency Clinical Review Protocol for Appropriateness of Placement (ACRC Conference 2018)

## Christine M. Albert



### Professional Experience

#### St. Ann's Home, Inc. - Methuen MA (1988 - present)

##### Director of Group Home Services (2014 - present)

- Development and implementation of 1:4 Group Home program.
- Responsible for all aspects of 4 group home programs with 37 clients, including interviewing clients, treatment planning, case management, budgeting and evaluation of 34 staff members.
- Transition planning for clients with mental health issues, cognitive delays and behavioral issues who are aging out of the DCF system.
- Education planning for clients graduating from high school and looking at college or training programs.
- Chair quarterly Case Conference meetings that include DCF and DMH social workers, Family Networks coordinators, attorneys, parents and other outside agency collaterals.

##### Treatment Plan Coordinator (2010 - present)

- Training and implementation of iFamilyNet system instituted by DCF.
- Responsible for review and approval of treatment plans for 120+ children.
- Responsible for training and implementation of the DCF/DMH Caring Together - Rehab Options requirements.

##### Pre-Independent Living Program Coordinator (2010 - 2014)

- Development and implementation of pre-independent living program.
- Responsible for all aspects of 2 group home programs with 18 clients, including interviewing clients, treatment planning, case management, budgeting, and evaluation of 18 staff members.
- Chair quarterly Case Conference meetings that include DCF and DMH social workers, Family Networks coordinators, attorneys, parents and other outside agency collaterals.

##### Residential Supervisor (1996-2010)

- Responsible for supervising and training of 100+ direct care staff.
- Direct care of 100+ emotionally disturbed children ages 5 - 22.
- Interviewing and hiring of prospective employees.
- Collaborate with outside agency personnel including parents, attorneys, DCF, DMH, and DESE in caring for the children.

##### Unit Director (1993-1996)

- Responsible for creating and maintaining a safe, nurturing and therapeutic environment for 15 latency aged, emotionally disturbed boys.
- Responsible for unit scheduling, budgeting and administrative paperwork.
- Attend and participate in Case Conferences, IEP meetings and Foster Care Reviews.
- Directly train, supervise and evaluate 10 child care staff.
- Co-leader of psycho-educational fire safety group for children involved in fire setting.

##### Child Care Counselor (1988-1993)

- Direct supervision of 15 children ranging in age from 5 - 13 within a residential setting.
- Assist children with daily living skills and help them in learning more effective behavior management techniques.
- Responsible for clothing purchases and management of clothing budget for the unit.

**Holy Family Safety Project (2014 - present)**

**Therapeutic Group Co-Leader**

- Co-lead therapeutic groups in the community for children aged 8 - 18 who have witnessed domestic violence.
- Document activities and participation level of each child on a weekly basis.

**Certifications**

Red Cross First Aid, CPR and AED; MAP Certified Medication Administration; CPI Non-Violent Crisis Intervention; Fire Safety Group Leader.

**Education**

**Salem State University - Salem, MA**

Master of Education in School Counseling Grades 5-12 (in process)

**University of Lowell - Lowell, MA**

Bachelor of Arts: Psychology (1989)

Studies: Child Psychology and Development

**References**

Furnished Upon Request

**Cheryl L. Macinanti, M.Ed., CAGS**

**EDUCATION**

*C.A.G.S., Mental Health Counseling 2007*  
Cambridge College, Cambridge, Massachusetts

*M.Ed., Counseling Psychology 2003*  
Cambridge College, Cambridge, Massachusetts

*BFA, Fine Arts and Liberal Studies 1991*  
Emmanuel College, Boston, Massachusetts

**EXPERIENCE**

**Director of Adolescent Services**  
St. Ann's Home and School, Methuen, Massachusetts  
Residential Treatment Facility (June 2007-Current)

- \* Member of St. Ann's Home's senior management team; as director of adolescent services, work with members of the senior management team responsible for the overall management of the agency
- \* Directly oversee the operation of St. Ann's two community-based adolescent group homes and adolescent program
- \* Direct supervisor for adolescent residential units' and group homes' treatment teams
- \* Responsible for the development and implementation of the adolescent programming for the residential program, as well as marketing St. Ann's adolescent programs
- \* Responsible for the coordination and implementation of adolescents' treatment plans and chairing of case conferences and IEPs
- \* Responsible for collaboratively working with all collaterals and treatment team members to meet treatment objectives for clients in adolescent program
- \* Responsible for coordinating the program's in-service trainings and formulation of all policies and procedures in the residential program
- \* Responsible for the implementation of agency policies and state regulations for the adolescent residential units and group homes
- \* In the absence of the director of the residential program, serve as the administrative representative for the residential program
- \* Supervise and evaluate program staff
- \* Responsible for emergency and on-call responsibilities for adolescent program and for residential program in the absence of the director of the residential program

**Group Home Director (Full Time)**  
St. Ann's Home & School, Methuen, Massachusetts  
Residential Treatment Facility (September 1995-June 2007)

- \* Supervise and advocate for 10 residents in a community-based adolescent group home from diverse backgrounds, with emotional, educational and behavioral difficulties
- \* Provide individual and group counseling for residents in population
- \* Supervision and training of 10 full time child care counselors
- \* Assessing and writing of treatment plans, case conferences, IEPs, transition plans and all other required paperwork necessary for academic and treatment goals
- \* Chair weekly meetings with child care counselors, clinical nurse specialist, residential therapist, and supervisor
- \* Regular contact with DCF, public schools, lawyers, and family or guardian of children
- \* Hiring and evaluating group home child care counselors
- \* Development of behavioral/incentive programs to improve academic and home functioning
- \* Bi-weekly review meetings with special education teachers and academic support staff
- \* Bookkeeping and scheduling for group home and staff
- \* Review medication regime for children in care weekly with clinical nurse specialist

- \* Represent agency at foster care review meetings, IEP meetings, academic review meetings, case reviews, court hearings and all necessary meetings relating to students/children
- \* Provide weekly 1 hour individual supervision for child care counselors
  - lead groups for children ages 8-16 covering: "Career & Education Development," "Fire Safety," "Social Skills," "Building Self-esteem," "Bullying," "Sexual Impulsivity"
- \* Train agency child care counselors in CPI Non-Violent Crisis Intervention
- \* Monitoring and distributing of psychotropic medication
- \* Development and implementation of the "Leadership Program," designed with a strength-based approach; empowering adolescents to achieve their academic and personal goals while preparing them for adulthood

**School Adjustment Counselor (Part Time)**  
Waltham High School, Waltham, Massachusetts  
Internship (September 2006-June 2007)

- \* Supervision of approximately 8 freshman students with various behavioral, emotional and academic difficulties
- \* Provide counseling for individual students outlined in their IEP
- \* Responsible for referral packets, written functional behavioral assessments, home assessments and any additional material required for student evaluation
- \* Communication with outside agencies, families, and school personnel

**Child Care Counselor (Full Time)**  
St. Ann's Home & School, Methuen, Massachusetts  
Residential Treatment Facility (September 1993-September 1995)

- \* Care and welfare of 10 adolescent boys in residential treatment
- \* Distribution of psychotropic medications
- \* Planning and implementation of academic plans, routines, activities, and treatment plans
  - Writing quarterly resident case conferences and daily resident logs
- \* Treatment modality using behavioral modification techniques to improve child functioning at home and school

**Crisis Team Manager (Part Time)**  
DYS Northeast Family Institute  
Middleton, Massachusetts (August 1992-September 1993)

- \* On call to assist children at risk of being suicidal, homicidal, or unmanageable who are not in current need of hospitalization
- \* On call to assist in crisis situations for residential, detention, and foster care settings affiliated with this agency
- \* Counseling and development of behavioral/incentive programs
- \* Assessing and improving facilities' strengths and weaknesses
- \* Developing routines/structure, attempting to solve programmatic issues
- \* Reporting and filing necessary paperwork related to treatment facility

**Assistant Supervisor (Full Time)**  
DYS Northeastern Family Institute  
Middleton, Massachusetts (July 1991-September 1993)

- \* Counseling and supervision of 25 court detained male juveniles from diverse backgrounds
- \* Supervision and training of 9 counselors
- \* Creation, development and implementation of the program "Communiten," designed to promote social values and a sense of responsibility juveniles share in our community
- \* Bookkeeping, staff scheduling, and all related written materials
- \* Evaluation and hiring of program staff
- \* Supervision of weekly NA/AA meetings in facility (open to community)
- \* Supervision of a mentoring program organized with the Middleton Corrections facility



**Heather M. O'Neil, LMHC**



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**EDUCATION:** *Master of Science, Counseling Psychology, December 2003*  
*Summa Cum Laude*  
Salem State College, Salem, MA  
*Bachelor of Arts, Social Sciences - Psychology, May 2000*  
Bradford College, Bradford, MA 01835

**QUALIFICATIONS:** Licensed Mental Health Counselor, MA license 6516

**PROFESSIONAL  
EXPERIENCE:**

- February 2019-present* **Director of Community Based Acute Treatment Program, St. Ann's Home**
- Responsible for the clinical and administrative oversight of the CBAT & TCU programs, including 4 Master's level clinicians
  - Responsible for the managerial oversight of the Residential unit for CBAT staff and residents
  - Assure that standards and CBAT program specifications of funding sources and licensing agencies are met
  - Provide support for users for electronic health record system
  - Run Mental Health.Clinic as listed below
- December 2013-present* **Director of Community Outreach Services, St. Ann's Home**
- Responsible for the clinical and administrative oversight of the Mental Health Clinic, Intensive Family Intervention program, and CBHI services
  - Lead a team of 10 full time clinicians, 2 Master's level clinical interns, 2 Doctoral level interns, and 2 Therapeutic Mentors
  - Participate in Management Team with all agency Program Directors
  - Maintain positive relationships with schools, DCF, Outpatient providers, and other community partners
  - Assure that standards and program specifications of funding sources and licensing agencies are met
  - Attend statewide provider meetings to represent St. Ann's community outreach
  - Provide individual supervision to clinicians
  - Assisted in the selection, development, and implementation of a new Electronic Health Record for the agency
  - Continued Outpatient Assistant Director duties as described below
- October 2009-2013* **Assistant Director of Outpatient, CBAT&TCU Programs, St. Ann's Home, Methuen**
- Provide clinical supervision and administrative supervision to staff of 9 outpatient therapists
    - Assign cases for individual and family therapy, assist clinicians with structuring caseloads
    - Review individual cases with clinicians to assess progress and goals
    - Manage crisis situations and crisis calls from clinicians and client
    - Conduct performance evaluations of clinicians

- Manage daily operations of the outpatient department
  - Manage referrals to outpatient clinic and CBHI services
  - Collaborate with community mental health agencies, school systems, and state agencies
  - Update statewide reports for access to care
- Facilitate and maintain communication between clinicians and upper management across various departments within the agency
- Ensure compliance to Mass Health insurance performance specifications of the Outpatient program, CBHI services, Community Based Acute treatment program, and Transitional Care Unit program.
- Well-versed on mental health service protocols of MBHP, Beacon Health, and Network Health.
- Lead admission, discharge, and systems meetings for the CBAT and TCU programs
- Provide administrative supervision to Psychology Doctoral program interns
- Administrator role on Virtual Gateway, responsible for monitoring CANS reports for Mass Health insurance clients
- Maintained duties from Senior Clinician role, listed below

**2008-2009**      ***Senior Clinician, St. Ann's Home***

- Co-chair of CBAT/TCU meetings
- Provided training and on-going support to therapists on use of MSDP (Massachusetts Standardized Documentation Project) forms and policies
- Trained on the Children's Behavioral Health Initiative system of care, and how to implement policies and services. Developed and led training for staff on new CBHI programs
- Collaborate daily with Outpatient/CBAT Program Director
- Continued position and maintained responsibilities of outpatient therapist as listed below

**2004-2008**      ***Outpatient Therapist, St. Ann's Home, Methuen, MA***

- Provide home and school-based therapy to children, adolescents, and families
- Complete diagnostic summaries, comprehensive assessments, psychosocial history, treatment plans, and CANS assessments
- Collaborate with school systems, social service agencies, and other providers.
- Provide individual and family therapy as a Community Based Acute Treatment (CBAT) therapist, serving children and families in crisis

**2004**              ***Family Therapist, The Home for Little Wanderers, Cambridge, MA***

- Provide home-based individual and family therapy to clients in crisis
- Formulate assessments, treatment plans, and discharge recommendations
- Coordinate case management and wrap-around services

**2003-2004**      ***House Counselor, Health & Education Services, Haverhill, MA***

- Responsible for direct care of children ages 6-12 in a residential setting

**2002-2004**      ***Counseling Intern, Salem Center for Therapy, Training, & Research, Salem, MA***

- Member of co-therapy team working with children, couples, and families

**St. Ann's Home, Inc. Key Personnel List for NH Contract**

<b>Staff Name</b>	<b>Positon</b>
Joseph Cronin	Chief Executive Officer
Stephen Steiner	Chief Administrative Officer
Marybeth Gilmore	Chief Financial Officer
Robin Duguay	Director of Quality Assurance and Compliance
Christine Albert	Senior Residential Program Director
Cheryl Macinanti	Senior Residential Program Director
Heather O'Neil	Director of Outpatient, CBAT and TCU Programs

Total Salary to NH	Estimated % of Salary to NH Programs
	4%
	4%
	4%
	4%
	10%
	10%
45,254	12%

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

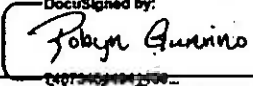
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

## 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 Stetson School, Inc.		1.4 Contractor Address 455 South Street, P.O. Box 309 Barre, MA 01005	
1.5 Contractor Phone Number 978-355-4541	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by: MICHAEL MATTHEWS Date: 10/7/2022		1.12 Name and Title of Contractor Signatory MICHAEL MATTHEWS Sr. VP of Business & Fi	
1.13 State Agency Signature DocuSigned by: Katja S. Fox Date: 10/7/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 10/13/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			



**2. SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omissions of the

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Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

#### 14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

#### 15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").**

**1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:**

**12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.**

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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its Plan within five (5) days of notification of non-approval from the Department.

1.6. The Contractor must implement the Plan immediately upon notification of Department approval.

1.7. Reporting

1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:

1.7.1.1. Youth Served.

1.7.1.2. Workforce, including, but not limited to:

1.7.1.2.1. Total Staffing.

1.7.1.2.2. Resignations.

1.7.1.2.3. Vacant Positions.

1.7.1.2.4. Offers.

1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.

2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

- 3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

- 3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."
- 3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.
- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:
- 3.3.3.1. Brochures.
  - 3.3.3.2. Resource directories.
  - 3.3.3.3. Protocols or guidelines.
  - 3.3.3.4. Posters.
  - 3.3.3.5. Reports.
- 3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

- 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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

4.1. The Contractor must keep records that include, but are not limited to:

4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must return to the Department all payments made under the Agreement to which exception has been taken, or which have been disallowed because of such an exception.

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New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated recordset" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.



New Hampshire Department of Health and Human Services

Exhibit D

- i. "Required by Law" shall have the same meaning as the term "required by law" in 45CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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New Hampshire Department of Health and Human Services

Exhibit D

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving

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## New Hampshire Department of Health and Human Services

## Exhibit D

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Contractor Initials

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10/7/2022  
Date



## New Hampshire Department of Health and Human Services

## Exhibit D

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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Exhibit D  
Health Insurance Portability  
Act Business Associate  
Agreement Page 5 of 6

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10/7/2022  
Date



New Hampshire Department of Health and Human Services

Exhibit D

- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

Department of Health and Human Services

Stetson School, Inc.

The State by:

Name of the Contractor

*Katja S. Fox*

*MICHAEL MATTHEWS*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

MICHAEL MATTHEWS

Name of Authorized Representative

Name of Authorized Representative

Director

Sr. VP of Business & Finance

Title of Authorized Representative

Title of Authorized Representative

10/7/2022

10/7/2022

Date

Date

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a



New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

**II. METHODS OF SECURE TRANSMISSION OF DATA**

1. **Application Encryption.** If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. **Computer Disks and Portable Storage Devices.** End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. **Encrypted Email.** End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. **Encrypted Web Site.** If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. **File Hosting Services, also known as File Sharing Sites.** End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. **Ground Mail Service.** End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. **Laptops and PDA.** If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. **Open Wireless Networks.** End User may not transmit Confidential Data via an open

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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# State of New Hampshire

## Department of State

### CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that STETSON SCHOOL, INC. is a Massachusetts Nonprofit Corporation registered to transact business in New Hampshire on March 04, 2021. 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: 864000

Certificate Number: 0005879641



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 5th day of October A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan  
Secretary of State



Certificate of Authority

I, Deborah J. Needleman, 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 Stetson School, Inc.  
(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: Sept. 28, 2020 at which a quorum of the Directors/shareholders were present and voting.

David A. Jordan, President  
VOTED: That Michael Matthews, Sr. VP of Business + Finance (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of Stetson School, Inc. 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 repeated 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: 10/5/2022

Deborah J. Needleman  
Signature of Elected Officer

Name: Deborah J. Needleman

Title: Clerk



 **Stetson School**  
*An Affiliate of Seven Hills Foundation*

**Mission Statement:**

The mission of Stetson School is to support youth and families by helping them to form healthy and secure family connections, overcome adversity and traumatic experiences, build social competency, and develop emotional and behavioral self-regulation skills.

455 South Street, P.O. Box 309, Barre, MA 01005

T: 978.355.4541 • F: 978.355.2706 • Admissions Fax: 978.355.6335 • [www.sevenhills.org/stetsonschool](http://www.sevenhills.org/stetsonschool)

**SEVEN HILLS FOUNDATION AND AFFILIATES**

***COMBINED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION***

***YEAR ENDED JUNE 30, 2021***

***AND***

***INDEPENDENT AUDITOR'S REPORT***

SEVEN HILLS FOUNDATION AND AFFILIATES

COMBINED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Seven Hills Foundation and Affiliates

**Report on the Financial Statements**

We have audited the accompanying combined financial statements of Seven Hills Foundation and Affiliates (collectively, the "Foundation"), which comprise the combined statement of financial position as of June 30, 2021, the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Seven Hills Foundation and Affiliates as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT

(Continued)

**Report on Summarized Comparative Information**

We have previously audited Seven Hills Foundation and Affiliates' 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining and other supplementary information is presented for purposes of additional analysis rather than to present the results of operations of the individual affiliates and is not a required part of the combined 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 combined financial statements. The combining and other supplementary information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Ballus Lynch, LLP*

Worcester, Massachusetts  
November 10, 2021

SEVEN HILLS FOUNDATION AND AFFILIATES  
COMBINED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021  
(With Summarized Financial Information for 2020)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
<b>Assets</b>				
<b>Current assets</b>				
Cash	\$ 28,698,242	\$ 584,928	\$ 29,283,170	\$ 9,753,634
Deposits with trustees	2,920,782	-	2,920,782	2,910,655
Accounts receivable, less allowance for doubtful accounts of \$761,691 and \$623,961 in 2021 and 2020, respectively	34,695,765	-	34,695,765	30,984,562
Contributions receivable, net	-	73,500	73,500	147,000
Prepaid expenses and other assets	1,562,470	-	1,562,470	1,395,571
Assets held for sale	-	-	-	3,195,999
<b>Total current assets</b>	<b>67,877,259</b>	<b>658,428</b>	<b>68,535,687</b>	<b>48,387,421</b>
Contributions receivable, net	-	5,176	5,176	8,676
Investments	49,325,551	9,784,419	59,109,970	44,794,856
Investment in unconsolidated affiliates	1,997,047	-	1,997,047	2,268,874
Deposits with trustees	5,571,504	-	5,571,504	5,546,703
Deposits and other assets	455,750	160,038	615,788	648,422
Property and equipment, net	119,923,313	-	119,923,313	121,948,451
Cash value of life insurance	5,739,674	-	5,739,674	4,359,319
Beneficial interest in assets held by community foundation	1,396,870	11,000	1,407,870	1,061,294
	<b>\$ 252,286,968</b>	<b>\$ 10,619,061</b>	<b>\$ 262,906,029</b>	<b>\$ 229,024,016</b>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Note payable, bank	\$ 6,956,704	\$ -	\$ 6,956,704	\$ 5,267,250
Current maturities of long-term debt	4,527,739	-	4,527,739	8,868,716
Current maturities of capital lease obligations	115,220	-	115,220	-
Accounts payable	12,782,077	-	12,782,077	7,689,175
Accrued and other liabilities	20,995,982	-	20,995,982	13,707,896
Deferred revenue	2,979,862	-	2,979,862	1,442,792
<b>Total current liabilities</b>	<b>48,357,584</b>	<b>-</b>	<b>48,357,584</b>	<b>36,975,829</b>
Advances from the State of Rhode Island	909,130	-	909,130	952,535
Note payable, other	10,000,000	-	10,000,000	-
Long-term debt, less current maturities	86,702,664	-	86,702,664	91,666,397
Long-term capital lease obligation, less current maturities	421,217	-	421,217	-
Hedging instrument liability	347,757	-	347,757	548,730
Deferred compensation liability	8,540,475	-	8,540,475	7,619,699
	<b>155,278,827</b>	<b>-</b>	<b>155,278,827</b>	<b>137,763,190</b>
<b>Net assets</b>				
Without donor restrictions				
Undesignated	61,617,288	-	61,617,288	55,090,508
Designated for endowment	35,390,853	-	35,390,853	26,327,330
With donor restrictions	-	10,619,061	10,619,061	9,842,988
	<b>97,008,141</b>	<b>10,619,061</b>	<b>107,627,202</b>	<b>91,260,826</b>
	<b>\$ 252,286,968</b>	<b>\$ 10,619,061</b>	<b>\$ 262,906,029</b>	<b>\$ 229,024,016</b>

See accompanying independent auditor's report and notes to combined financial statements.



## SEVEN HILLS FOUNDATION AND AFFILIATES

## COMBINED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

(With Summarized Financial Information for 2020)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
Operating support and revenue				
Government contracts and fees	\$ 282,243,449	\$ -	\$ 282,243,449	\$ 240,536,415
H.U.D. rental subsidy	499,693	-	499,693	499,968
Private contracts and fees	2,849,073	-	2,849,073	2,878,581
Trainee production	11,003	-	11,003	114,615
Rent, vending, service fees	6,161,411	-	6,161,411	6,057,002
Interest income	271,109	-	271,109	182,761
Net investment return for operations	3,170,227	-	3,170,227	1,067,850
Beano income	-	-	-	1,097,721
Contributions	1,204,813	-	1,204,813	661,472
Grants	3,194,330	-	3,194,330	1,424,204
Cafeteria	39,149	-	39,149	251,074
Gain (loss) on sale of property and equipment	143,085	-	143,085	(290,798)
Other	2,908,979	-	2,908,979	1,402,108
Net assets released from restrictions				
Satisfaction of purpose restrictions	408,113	(408,113)	-	-
Total support and revenue	303,104,434	(408,113)	302,696,321	255,882,973
Operating expenses				
Program services				
Residential services	85,113,197	-	85,113,197	81,040,614
Family support	26,457,604	-	26,457,604	24,716,456
Vocational services	7,592,132	-	7,592,132	10,030,978
Nursing home services	17,513,792	-	17,513,792	16,838,543
Community services - Massachusetts	4,048,326	-	4,048,326	4,027,614
Community services - Rhode Island	22,693,156	-	22,693,156	23,994,613
Rental property operations	523,368	-	523,368	560,783
Children services	73,399,700	-	73,399,700	55,088,424
School services	14,006,315	-	14,006,315	14,235,985
Clinical services	23,596,897	-	23,596,897	5,651,314
Global outreach	218,586	-	218,586	198,053
Open door arts	421,547	-	421,547	515,082
Total program services	275,584,620	-	275,584,620	236,898,459
Supporting services				
Management and general	19,988,623	-	19,988,623	17,665,767
Fundraising	95,905	-	95,905	1,045,218
Total expenses	295,669,148	-	295,669,148	255,609,444
Change in net assets from operations	7,435,286	(408,113)	7,027,173	273,529
Non-operating revenue				
Contributions restricted for capital purposes	-	83,917	83,917	-
Contributions associated with affiliation agreement activity	-	-	-	6,397,980
Investment return, net of amounts considered for operations	7,165,028	1,889,285	9,054,313	1,105,245
Unrealized gain (loss) on hedging instrument	200,973	-	200,973	(325,264)
Net assets released from restrictions				
Satisfaction of purpose restrictions	789,016	(789,016)	-	-
Change in net assets	15,590,303	776,073	16,366,376	7,451,490
Net assets, beginning of year	81,417,838	9,842,988	91,260,826	83,809,336
Net assets, end of year	\$ 97,008,141	\$ 10,619,061	\$ 107,627,202	\$ 91,260,826

See accompanying independent auditor's report and notes to combined financial statements.

SEVEN HILLS FOUNDATION AND AFFILIATES  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
 YEAR ENDED JUNE 30, 2021  
 (With Summarized Financial Information for 2020)

	Program Services							
	Residential Services	Family Support	Vocational Services	Nursing Home	Community Services - MA	Community Services - RI	Rental Property Operations	Children Services
Staff payroll	\$ 58,375,837	\$ 9,424,048	\$ 3,976,960	\$ 10,234,105	\$ 2,113,899	\$ 12,690,034	\$ -	\$ 4,007,611
Trainee payroll			25,353					
Payroll taxes	4,903,299	794,747	315,452	864,828	172,071	1,047,853		334,476
Employee benefits	6,592,777	950,822	492,578	1,192,682	351,366	3,084,937		445,476
Occupancy	4,026,907	449,292	803,719	1,003,617	314,885	880,255	192,383	391,905
Telephone, cable, internet	785,417	94,033	142,978	16,544	60,737	164,075	17,118	83,435
General insurance	265,311	119,275	84,295	128,585	99,202	122,316	17,990	89,625
Office and operating supplies	515,638	93,450	161,891	1,252,814	197,068	341,141	33,982	148,667
Supplies and testing	101,814	15,140	22,855	979,431	22,045	29,886	3,125	75,402
Dues and subscriptions	18,059	15,288	8,492	368	618	33,512	465	8,830
Printing and postage	4,176	29,563	7,854	308	3,120	13,003	95	17,688
Advertising	12,600	195,445	1,928	405		435		19,452
Legal and audit		1,386				7,848		580
Client transportation	1,734,589	109,999	497,192	44,128	79,345	251,055		10,161
Specialized home care	167,432	10,904,392	134,094	125,800	228,304	1,151,266		995,018
Clinical consultants	1,219,456	1,440,000		187,095		173,495		
Purchased services				205,032		2,062,311	743	
Family support	326,721	1,197,428			149,399	51,990		66,377,094
Staff training	15,591	14,985		8,039	1,610	10,068		8,072
Event expenses	65							534
Cafeteria and food	2,221,626	1,823	60,866	276,822		3,796		126,626
Interest	1,708,824	108,573	285,357	402,915	30,814	43,835	100,355	61,371
Beano expenses								
Other	325,740	269,934	86,001	7,537	113,478	259,068	7,905	24,790
Total before depreciation	83,321,879	26,229,623	7,107,865	16,931,055	3,937,961	22,422,179	374,161	73,156,813
Depreciation	1,791,318	227,981	484,267	582,737	110,365	270,977	149,207	242,887
	<u>\$ 85,113,197</u>	<u>\$ 26,457,604</u>	<u>\$ 7,592,132</u>	<u>\$ 17,513,792</u>	<u>\$ 4,048,326</u>	<u>\$ 22,693,156</u>	<u>\$ 523,368</u>	<u>\$ 73,399,700</u>

School Services	Program Services				Management and General	Fundraising	Totals	
	Clinical Services	Global Outreach	Open Door Arts	Total			2021	2020
\$ 8,016,346	\$ 15,112,407	\$ -	\$ 317,501	\$ 124,268,748	\$ 6,917,396	\$ -	\$ 131,186,144	\$ 119,632,651
				25,353			25,353	166,972
664,906	1,169,250		27,245	10,294,127	529,504		10,823,631	10,185,760
1,073,242	2,228,974		11,941	16,424,795	2,454,467		18,879,262	17,881,343
1,045,053	1,578,508	2,330	31,034	10,719,888	1,195,402	100	11,915,390	10,011,645
53,825	427,914	-	3,099	1,849,175	343,858	-	2,193,033	1,662,142
355,677	445,260	2,826	-	1,730,362	204,957	-	1,935,319	1,490,256
219,048	218,155	1,350	6,293	3,189,497	305,084	-	3,494,581	3,073,759
82,017	13,636	-	-	1,275,351	2,144,299	-	3,419,650	767,668
28,763	20,673	-	1,543	136,611	320,531	-	457,142	328,149
4,268	21,954	1,528	53	103,610	107,905	-	211,515	244,238
405	34,060	-	-	264,730	214,188	-	478,918	301,297
				9,814	362,829	-	372,643	317,688
164,438	185,657	-	250	3,076,814	566,302	-	3,643,116	4,316,331
140,444	946,562	3,210	19,593	14,816,115	795,796	-	15,611,911	11,935,289
750,709	551,642	-	-	4,322,397	-	-	4,322,397	5,055,669
8,459	-	-	-	2,276,545	43,245	-	2,319,790	1,900,743
22,621	-	-	-	68,125,253	-	-	68,125,253	49,271,534
12,547	41,556	-	2,500	114,968	666,834	-	781,802	761,658
				599	-	95,805	96,404	113,897
421,159	220,460	-	188	3,333,366	2,111	-	3,335,477	3,298,581
363,612	85,194	-	-	3,190,850	592,563	-	3,783,413	4,119,915
				-	-	-	-	897,618
102,662	99,100	207,342	307	1,503,864	1,347,031	-	2,850,895	2,651,341
13,530,201	23,400,962	218,586	421,547	271,052,832	19,114,302	95,905	290,263,039	250,386,144
476,114	195,935	-	-	4,531,788	874,321	-	5,406,109	5,223,300
<u>\$ 14,006,315</u>	<u>\$ 23,596,897</u>	<u>\$ 218,586</u>	<u>\$ 421,547</u>	<u>\$ 275,584,620</u>	<u>\$ 19,988,623</u>	<u>\$ 95,905</u>	<u>\$ 295,669,148</u>	<u>\$ 255,609,444</u>

See accompanying independent auditor's report and notes to combined financial statements.

## SEVEN HILLS FOUNDATION AND AFFILIATES

## COMBINED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

(With Summarized Financial Information for 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	<u>\$ 16,366,376</u>	<u>\$ 7,451,490</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	257,812	196,865
Depreciation and amortization	5,411,959	5,228,250
Amortization of debt issuance costs	202,477	200,837
Amortization of bond premium	(215,651)	(237,684)
Equity in loss of unconsolidated affiliates	167,047	369,778
Change in discount and allowance on contributions receivable	(105,000)	-
Unrealized (gain) loss on hedging instrument	(200,973)	325,264
Net investment gains	(11,094,425)	(1,019,251)
(Gain) loss on sale of property and equipment	(143,085)	290,798
Change in beneficial interest in assets held by community foundation	(346,576)	(89,887)
Contributions restricted for purchases of property and equipment	(83,917)	-
Non-cash contributions	(121,580)	(6,397,980)
Deferred compensation expense	920,776	893,028
Decrease (increase) in operating assets		
Accounts receivable	(3,969,015)	(5,311,869)
Contributions receivable	57,000	55,000
Prepaid expenses and other assets	(166,899)	16,958
Increase in operating liabilities		
Accounts payable	5,277,440	1,754,757
Accrued and other liabilities	7,288,086	2,378,066
Deferred revenue	1,537,070	-
	<u>4,672,546</u>	<u>(1,347,070)</u>
Net cash provided by operating activities	<u>21,038,922</u>	<u>6,104,420</u>
Cash flows from investing activities		
Payments for purchases of investments	(23,325,958)	(13,910,055)
Proceeds from sale and maturities of investments	20,105,269	14,415,826
Net (investment in) proceeds from in unconsolidated affiliates	104,780	(105,255)
(Increase) decrease in deposits and other assets	26,784	(36,749)
Expenditures for property and equipment	(3,084,601)	(3,839,245)
Proceeds from sale of property and equipment	3,517,333	1,042,699
(Increase) decrease in cash value of life insurance	(1,380,355)	746,002
Net cash used in investing activities	<u>(4,036,748)</u>	<u>(1,686,777)</u>
Cash flows from financing activities		
Net repayments on advances from the State of Rhode Island	(43,405)	(32,554)
Net proceeds (payments) from note payable, bank	1,689,454	(3,618,031)
Principal payments on capital lease obligations	(1,140)	-
Proceeds from issuance of long-term debt	-	4,034,000
Principal payments of long-term debt	(9,291,536)	(4,975,255)
Proceeds from note payable, other	10,000,000	-
Payments on deferred compensation	-	(1,604,301)
Contributions received for capital purchases	208,917	42,000
Net cash provided by (used in) financing activities	<u>2,562,290</u>	<u>(6,154,141)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	19,564,464	(1,736,498)
Cash acquired through affiliation agreement with Family Service Organization of Worcester, Inc. and Youth Opportunities, Upheld, Inc.	-	2,021,954
Cash, cash equivalents, and restricted cash beginning of year	<u>16,738,442</u>	<u>16,452,986</u>
Cash, cash equivalents, and restricted cash end of year	<u>\$ 36,302,906</u>	<u>\$ 16,738,442</u>

See accompanying independent auditor's report and notes to combined financial statements.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS

1 - DESCRIPTION OF ORGANIZATION

Seven Hills Foundation and Affiliates has contracts with the Commonwealth of Massachusetts and the State of Rhode Island to provide an array of health services and clinical support to children and adults challenged by emotional, behavioral, cognitive, physical or developmental disabilities.

The combined financial statements include the accounts of Seven Hills Foundation and the following affiliates which are under common control: Seven Hills Holding Corp, Inc.; Seven Hills Family Services, Inc.; Seven Hills Aspire, Inc.; Seven Hills Community Services, Inc.; Seven Hills Clinical Associates, Inc.; Seaside Education Associates, Inc.; Seven Hills Disability Resources & Advocacy, Inc.; Children's Aid & Family Service, Inc.; Seven Hills Pediatric Center, Inc.; Seven Hills Behavioral Health, Inc.; Seven Hills Global Outreach, Inc.; Seven Hills Rhode Island, Inc.; Seven Hills Neurocare, Inc.; Individual & Family Support Centers, Inc.; Stetson School, Inc.; Stetson Home; WAARC Realty; Seven Hills New Jersey, Inc.; Open Door Arts; Children's Friend, Inc.; Family Service Organization of Worcester, Inc.; and Youth Opportunities Upheld, Inc. (hereinafter collectively referred to as the "Foundation"). All material intercompany balances and transactions have been eliminated in combination.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation prepares its combined financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Foundation are described subsequently to enhance the usefulness and understandability of the combined financial statements.

Summarized comparative information

The combined 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 Foundation's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Basis of accounting

The combined financial statements have been prepared on the accrual method of accounting. Accordingly, assets are recorded when the Foundation obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred.

Accounting estimates

The preparation of the combined financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the combined financial statements. On an ongoing basis, the Foundation's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Foundation's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net assets

The combined financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets (continued)

Net assets without donor restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. In addition, the governing board of the Foundation may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Foundation must continue to use the resources in accordance with the donor's instructions.

The Foundation's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the combined financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Foundation, unless the donor provides more specific directions about the period of its use.

Classification of transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the combined statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Cash

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Accounts receivable are primarily unsecured non-interest-bearing amounts due from agencies and grantors on cost reimbursement or performance contracts. The reserve for uncollectible accounts is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Investments

Investments are reported at fair value. Alternative investments which do not have readily determinable fair values are carried at estimated fair values using the net asset value per share of the investment as reported by the investment managers. The Foundation reviews and evaluates the net asset values reported by the investment managers and has determined that the net asset values are calculated in a manner consistent with the measurement principles of FASB ASC Topic 946 as of the statement of financial position date. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

The net investment return is reported in the statement of activities as increases or decreases in net assets without donor restriction unless its use is restricted by explicit donor stipulations or by law.

Endowment funds

The Foundation's endowment consists of both individual donor restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed or legal restrictions. Endowment funds include invested gifts and cash.

As required by generally accepted accounting principles, the Foundation classifies as donor restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as non-expendable net assets is classified as expendable net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by state law.

In accordance with the Uniform Prudent Management of Institutional Funds Act, the Foundation may consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the Foundation and the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Foundation; and the investment policies of the Foundation.

The Foundation has adopted investment and spending policies for its board-designated and other endowment assets that attempt to provide a predictable stream of funding for its programs while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are invested in such a manner that the investments will provide a spendable return consistent with a long-term goal of preserving the funds in real terms. Actual returns in any given year may vary from this amount.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment funds (continued)

The Stetson Home affiliate has a spending policy of appropriating for distribution each year 7% of its beginning of the year restricted balances. Amounts appropriated for expenditure were \$248,489 and \$268,579 in 2021 and 2020, respectively.

The Children's Friend, Inc. affiliate has a spending policy of appropriating for distribution each year 5% of the endowment fund's twelve quarter moving average of market value, calculated quarterly. There were no withdrawals for appropriation in 2021 and 2020.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest, dividends and net rental income). The Foundation has invested in debt and equity securities that target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor imposed restrictions require the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2021 and June 30, 2020.

Investment in unconsolidated affiliates

The Foundation has varying levels of investments in Group 7 Design, Inc., Empirical Asset Management, LLC, Wellesley/Front, LLC, Honeydrop, Inc., SCIREH Three, LLC, Harding Green, LLC Mercantile Ventures, LLC, and Franklin Realty Advisors, LLC which are accounted for by the equity method.

Property and equipment

Property and equipment are reported in the combined statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets.

Impairment of long-lived assets and long-lived assets to be disposed of

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment losses were recognized in the financial statements in the current period.

Unamortized debt issuance costs

Debt issuance costs, which represent fees and other costs associated with obtaining long-term financing, are being amortized on a straight-line basis, which approximates the level yield method, over the terms of the related debt obligations. Debt issuance costs will be amortized at a monthly rate ranging from \$14,367 to \$1,383 through September, 2047. Long-term debt is presented net of unamortized debt issuance costs on the statement of financial position.

Hedging instrument

Hedging instrument, including interest rate swap agreements, are recorded on the statement of financial position as either assets or liabilities measured at their fair value. All changes in the fair value of hedging instrument are recognized currently in the combined statement of activities.



SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Rent, vending, service fees

Rental income represents amounts received from residents of residential homes. Vending income represents amounts received under the vocational services program. Service fees represents amounts received under the respite care, and various day programs.

Contributions, gifts and grants

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Gifts-in-kind contributions

The Foundation receives contributions in a form other than cash or investments. If material, donated supplies and other items are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Foundation receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Foundation's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

Four residential programs and the one day program operated by Seven Hills Rhode Island are located in buildings owned by the State of Rhode Island and are provided to Seven Hills Rhode Island at no cost. The estimated value of this space (\$386,400 for the period ended June 30, 2021 and 2020) has been recorded in the combined statement of activities as both a revenue and expense item.

The Foundation received one office condominium contribution during 2021. The fair value at the time of the contribution has been recorded in the combined statement of activities as contributions and in the statement of financial position as property and equipment.

The Foundation benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Foundation's program operations and in its fund-raising events. However, none of the contributed services met the criteria for recognition in financial statements.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense recognition and allocation

The cost of providing the Foundation's programs and other activities is summarized on a functional basis in the combined statement of activities and combined statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation, and amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the same basis as occupancy for each program and supporting activity.

Management periodically evaluates the basis on which costs are allocated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Foundation.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Foundation generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. Advertising expense was approximately \$478,918 and \$301,297 in 2021 and 2020, respectively.

Tax-exempt status

The Foundation is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Foundation are tax deductible to donors under Section 170 of the IRC. The Foundation is not classified as a private foundation.

Management annually reviews for uncertain tax positions along with any related interest and penalties and believes that the Foundation has no uncertain tax positions that would have a material adverse effect, individually or in the aggregate upon the Foundation's statement of financial position, or related statement of activities or cash flows.

The Foundation files income tax returns in the U.S. federal jurisdiction. The Foundation is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2018.

The State of Rhode Island imposes a Health Care Provider Tax at a rate of 6% of Medicaid revenues. This tax is included in other expense on the combined statement of functional expenses. The amounts paid by the Foundation for this tax are reimbursed by Medicaid funds.

Measure of operations

In its statement of activities, the Foundation includes in its definition of *operations* all revenues and expenses that are an integral part of its programs and supporting activities. The Foundation's investment return from endowment, contributions received for capital purpose, contributions associated with mergers, and the changes in the fair values of interest rate swap agreements are recognized as non-operating activities.

SEVEN HILLS FOUNDATION AND AFFILIATES  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 (Continued)

**3 - RISKS AND UNCERTAINTIES**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant volatility in value resulting from uncertainty caused by the pandemic. The Foundation is closely monitoring its liquidity and is actively working to minimize the impact of this situation. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Foundation's clients, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation's financial position, changes in net assets and cash flows is uncertain and the accompanying combined financial statements include no adjustments relating to the effects of this pandemic.

In September 2020, the Foundation was a recipient of the Provider Relief Funds of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") in the amount of \$4,135,898, of which \$0 is been recorded as grant revenue on the statement of activities for the year ending June 30, 2021 and \$1,699,905 is recorded as deferred revenue on the statement of financial position as of June 30, 2021.

Additionally, it is reasonably possible that estimates made in the financial statements may be materially and adversely impacted in the near term as a result of these conditions, including the allowances for uncollectible accounts and contributions receivable, and the valuation of investments and beneficial interests in trusts. See footnote 25 for additional risks regarding the Foundation's investments.

**4 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020 are:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash	\$ 29,283,170	\$ 9,753,634
Deposits with trustees	8,492,286	8,457,358
Accounts receivable, net	34,695,765	30,984,562
Contributions receivable, net	78,676	155,676
Investments	59,109,970	44,794,856
Beneficial interest in assets held by community foundation	<u>1,407,870</u>	<u>1,061,294</u>
Total financial assets	133,067,737	95,207,380
Less: Financial assets held to meet donor-imposed restrictions		
Purpose-restricted net assets	1,165,978	1,165,978
Donor-restricted endowment funds, net of approximately \$295,000 and \$268,000 appropriated for expenditures in 2022 and 2021, respectively.	9,079,407	8,253,334
Contributions receivable	78,676	155,676
Less: Financial assets not available within one year		
Deposits with trustees	8,492,286	8,457,358
Board-designated endowment fund	<u>35,390,853</u>	<u>26,327,330</u>
Amount available for general expenditures within one year	<u>\$ 78,860,537</u>	<u>\$ 50,847,704</u>

The above table reflects the board-designated funds as unavailable because it is the Foundation's intention to retain those resources for the long-term support of the Foundation. Note 17 provides more information about those funds and about the spending policy for board-designated funds.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

4 - LIQUIDITY AND AVAILABILITY (Continued)

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Further, the Foundation anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows, which identifies the sources and uses of the Foundation's cash and shows positive cash flows from operations for 2021 and 2020. As part of its liquidity management plan, the Foundation maintains a line of credit of \$10,000,000 to cover short-term cash needs. The available balance to draw on this line of credit was \$3,043,296 and \$4,732,750 as of June 30, 2021 and 2020, respectively.

5 - DEPOSITS WITH TRUSTEES

Deposits with trustees are held in various escrow accounts and are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Current		
Future debt service	\$ 2,920,782	\$ 2,910,655
Long-term		
Future debt service	<u>5,571,504</u>	<u>5,546,703</u>
	<u>\$ 8,492,286</u>	<u>\$ 8,457,358</u>

Deposits with trustees are carried at fair value, which approximates cost, and are composed of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 7,019,736	\$ 6,984,808
U.S. Government bonds	<u>1,472,550</u>	<u>1,472,550</u>
	<u>\$ 8,492,286</u>	<u>\$ 8,457,358</u>

6 - CONTRIBUTIONS RECEIVABLE

Payments of contributions receivable are expected to be received as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 86,000	\$ 147,000
Receivable in one to five years	<u>17,400</u>	<u>138,400</u>
Total contributions receivable	103,400	285,400
Less: Unamortized discount	(12,224)	(24,449)
Allowance for contributions receivable	<u>(12,500)</u>	<u>(105,275)</u>
	<u>\$ 78,676</u>	<u>\$ 155,676</u>

SEVEN HILLS FOUNDATION AND AFFILIATES  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 (Continued)

7 - INVESTMENTS

Investments are included in the following classes of net assets:

	<u>2021</u>	<u>2020</u>
With donor restrictions		
Donor restricted endowment funds	\$ 9,784,419	\$ 8,143,621
Without donor restrictions		
Board-designated endowment funds	35,390,853	26,327,330
Undesignated	<u>13,934,698</u>	<u>10,323,905</u>
	<u>\$ 59,109,970</u>	<u>\$ 44,794,856</u>

Investments are composed of the following:

	2021		2020	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
U.S. government bonds	\$ 2,671,576	\$ 2,696,473	\$ 1,836,728	\$ 1,926,868
Corporate bonds	2,592,520	2,610,324	2,163,430	2,334,011
Municipal bonds	558,265	660,787	495,801	511,373
Mutual funds	29,852,524	40,297,247	26,674,635	29,968,782
Real estate investment trusts	16,391	17,460	49,095	56,958
Common stock	3,184,546	4,275,957	2,833,370	3,328,429
Cash and money market accounts	2,128,428	2,128,428	2,037,343	2,037,343
Exchange traded funds	4,515,038	5,745,455	3,882,502	4,201,701
Partnership - Hedge funds	<u>677,966</u>	<u>677,839</u>	<u>429,391</u>	<u>429,391</u>
	<u>\$ 46,197,254</u>	<u>\$ 59,109,970</u>	<u>\$ 40,402,295</u>	<u>\$ 44,794,856</u>

Net investment return is composed of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 1,248,386	\$ 1,238,681
Net investment gains	11,094,425	1,019,251
Investment fees	<u>(118,271)</u>	<u>(84,837)</u>
	<u>\$ 12,224,540</u>	<u>\$ 2,173,095</u>

SEVEN HILLS FOUNDATION AND AFFILIATES  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 (Continued)

8 - ENDOWMENT ASSETS

Endowment assets include donor restricted and Board-designated funds. Changes in endowment assets for the year ended June 30, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ 26,327,330	\$ 8,521,334	\$ 34,848,664
Investment return:			
Interest and dividends, net of fees	639,292	186,363	825,655
Net investment gains	6,525,736	1,702,922	8,228,658
Total investment return	7,165,028	1,889,285	9,054,313
Appropriation for expenditure	(846,505)	(248,489)	(1,094,994)
End of year	<u>\$ 32,645,853</u>	<u>\$ 10,162,130</u>	<u>\$ 42,807,983</u>

9 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Foundation established two funds with the Greater Worcester Community Foundation (GWCF). These funds encourage donations from individuals, organizations, estates and trusts in addition to contributions by the Foundation. GWCF acts as custodian of the funds, and funds can only be expended by the Foundation if approved by both the Foundation's Board of Directors and GWCF's Board of Directors.

The Foundation does not have control over, or legal ownership of, these funds. However, an asset representing the fair value of these funds has been recorded in without donor restricted assets as the Foundation has the irrevocable right to its share of annual income earned on these assets.

As of June 30, 2021 and 2020, the estimated fair value of the funds held by GWCF on behalf of the Foundation was \$1,407,870 and \$1,061,294, respectively. Changes in the estimated value of the funds are included in the statement of activities.

10 - PROPERTY AND EQUIPMENT

Property and equipment, together with estimated useful lives, consists of the following:

	<u>Estimated Useful Lives</u>	<u>2021</u>	<u>2020</u>
Land	-	\$ 19,067,228	\$ 18,813,035
Buildings and improvements	20 - 40 years	153,445,342	150,371,298
Furniture and equipment	3 - 20 years	18,015,410	16,849,964
Motor vehicles	5 years	2,199,052	2,065,533
Construction in progress	-	2,438,172	3,840,355
		195,165,204	191,940,185
Less: Accumulated depreciation and amortization		<u>75,241,891</u>	<u>69,991,734</u>
		<u>\$ 119,923,313</u>	<u>\$ 121,948,451</u>

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

10 - PROPERTY AND EQUIPMENT (Continued)

Depreciation expense was \$5,406,109 and \$5,223,300 in 2021 and 2020, respectively.

During 2020, the Foundation classified a certain building as held for sale. In August 2020, the Foundation sold the building for \$3,195,999, which resulted in no gain.

11 - ADVANCES FROM THE STATE OF RHODE ISLAND

Seven Hills Rhode Island has an agreement with the State of Rhode Island to operate residential facilities and day programs. Under this agreement, the State of Rhode Island advances Seven Hills Rhode Island an amount equivalent to forty-five days funding per client at the agreed-upon per diem rate to provide cash flow for the programs. This advance has been classified as long-term debt as these funds are to be repaid to the State of Rhode Island at the termination of the agreement. However, it is anticipated that the programs will continue to operate and the State of Rhode Island will continue to provide these funds.

12 - NOTE PAYABLE, BANK

The Foundation has a \$10,000,000 revolving credit facility with a bank secured by substantially all assets of the Foundation. Interest is charged at the LIBOR lending rate plus 200 basis points (2.09% as of June 30, 2021). The line of credit is available through March, 2022, at which time the terms and conditions of the line of credit will be reviewed. The balance outstanding on this line of credit was \$6,954,704 and \$5,267,250 as of June 30, 2021 and 2020, respectively.

13 - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2021</u>	<u>2020</u>
Bond notes payable, secured by real estate and cash flows from provider contracts:		
Due in annual installments of principal through September 2039. Interest is due monthly at a weekly rate of interest determined by the remarketing agent for each rate period to be the lowest rate on the basis of prevailing financial market conditions (3.39% as of June 30, 2021) during the life of the obligation. A letter of credit securing this note expires May 2022.	\$ 7,039,923	\$ 7,379,923
Due in annual installments of principal through September 2039. Interest is due monthly at a weekly rate of interest determined by the remarketing agent for each rate period to be the lowest rate on the basis of prevailing financial market conditions (2.97% as of June 30, 2021) during the life of the obligation. A letter of credit securing this note expires May 2022.	3,229,962	3,389,962
Due in annual installments of principal with lump sum due December 2041. Interest is due monthly at 76% of the sum of the 30-Day LIBOR rate plus 2.00% (1.791% as of June 30, 2021) during the life of the obligation.	5,294,123	5,512,657
Due in monthly payments of \$42,694, plus interest at variable rates through November 2024. Principal payments increase by approximately 5.50% annually through November 2024.	2,965,336	3,736,501

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

13 - LONG-TERM DEBT (Continued)

	<u>2021</u>	<u>2020</u>
Due in annual installments of principal through May 2042. Interest is due monthly at 76% of the sum of the 30-Day LIBOR rate plus 2.00% (1.791% as of June 30, 2021) during the life of the obligation.	\$ 824,635	\$ 902,135
Due in annual installments of principal through June, 2043. Interest is due monthly at 76% of the sum of the 30-Day LIBOR rate plus 2.00% (1.778% as of June 30, 2021) during the life of the obligation.	928,664	1,268,831
Due in annual installments of principal through September, 2045. Interest is due semi-annually at rates increasing from 3.039% to 5.00% during the life of the obligation.	42,110,000	43,215,000
Due in annual installments of principal through September, 2045. Interest is due semi-annually at rates increasing from 3.039% to 5.00% during the life of the obligation.	3,532,157	4,377,157
Due in annual installments of principal through October, 2047. Interest is due monthly at a fixed rate of 3.24% through October 2022. Interest rate will be adjusted December 2022 and every five years to a commensurate rate.	18,124,297	18,574,991
Borrowings under construction credit facility. Due in monthly installments of \$6,642 including interest at 9.00% through August 2032.	560,221	588,127
Non-interest bearing contingent loans from various sources to assist in development of housing projects, generally not required to be repaid unless the project fails to comply with the conditions of the loan. It is the intention of the Board of Directors and management to maintain the property as required. Loans are due at varying maturities through June 2037.	2,254,093	2,254,093
Notes payable:		
Note payable, bank, due in monthly installments of \$35,035, including interest at 3.60% through May, 2034, secured by mortgage of certain buildings. In August 2020, the Foundation sold a certain building. Proceeds were used to pay off certain long-term debt in the amount of \$4,537,511.	1,051,489	5,766,918
Note payable, bank, due in monthly installments of \$4,284 including interest at 4.55%, through June, 2034, secured by certain buildings.	501,809	529,372
Note payable, bank, secured by mortgage of certain buildings, due in monthly installments of principal commencing July, 2020 of \$17,715 through June, 2023, at which time the loan is due in full. Interest is LIBOR plus 2.00% (2.091% as of June 30, 2021).	3,821,420	4,034,000
	<u>92,238,129</u>	<u>101,529,667</u>
Unamortized bond premiums	1,514,376	1,730,027
Current maturities of long-term debt	(4,527,739)	(8,868,716)
Unamortized debt issuance costs	<u>(2,522,104)</u>	<u>(2,724,581)</u>
	<u>\$ 86,702,662</u>	<u>\$ 91,666,397</u>

In connection with certain bond and note payable agreements, the Foundation has agreed to various restrictive covenants.



SEVEN HILLS FOUNDATION AND AFFILIATES  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 (Continued)

13 - LONG-TERM DEBT (Continued)

Maturities of long-term debt in subsequent years are as follows:

2022	\$ 4,527,739
2023	8,102,917
2024	4,696,375
2025	5,554,170
2026	5,058,344
Thereafter	<u>64,298,584</u>
	<u>\$ 92,238,129</u>

14 - NOTE PAYABLE, OTHER

In response to the COVID-19 pandemic, the Paycheck Protection Program (PPP) was established under the CARES Act and administered by the SBA. Organizations who met the eligibility requirements set forth by the PPP could qualify for PPP loans. If the loan proceeds are fully utilized to pay qualified expenses, the full principal amount of the PPP loan, along with any accrued interest, may qualify for loan forgiveness, subject to potential reduction based on the level of full-time employees maintained by the organization. In April 2021, the Foundation received a loan of \$10,000,000 under the PPP. The loan bears interest at 1.0%, with principal and interest payments deferred for the first six months of the loan. Subsequently, the loan and interest would be paid back over a period of 18 months, if the loan is not forgiven under the terms of the PPP. The Foundation has accounted for loan proceeds under the PPP in accordance with ASC 405, whereby the loan is considered outstanding until the Foundation is legally released from its obligation.

The Foundation believes that its use of the proceeds is consistent with the purposes of the PPP and it will meet the conditions for forgiveness of the balance. These proceeds have not been forgiven as of June 30, 2021 and the loan has been recorded on the statement of financial position as a note payable, other. Although the Foundation expects the balance of the loan to be forgiven in 2022, it has been classified as long-term as it will not require the expenditure of resources within the next year.

15 - HEDGING INSTRUMENT

The Foundation maintains an interest-rate risk-management strategy that uses derivative instruments to minimize significant, unanticipated earnings fluctuations caused by interest-rate volatility.

The Foundation entered into an interest rate swap agreement related to certain long-term debt. The swap is utilized to manage interest rate exposures and are designated as a highly effective cash flow hedges. The differential to be paid or received on the swap agreement is accrued as interest rates change and is recognized over the life of the agreement in interest expense. The remaining swap agreement is as follows:

<u>Notional Amount</u>	<u>Interest Rate</u>	<u>Expiration Date</u>	<u>Liability Value</u>
\$ 6,283,429	1.886%	November, 2025	\$ (347,757)

Included in statement of activities is an unrealized gain (loss) of \$200,973 and \$(325,264) relating to the change in fair value of the swap agreement for the years ended June 30, 2021 and 2020, respectively.

SEVEN HILLS FOUNDATION AND AFFILIATES  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 (Continued)

16 - DEFERRED COMPENSATION LIABILITY AND LIFE INSURANCE

The Foundation has deferred compensation agreements providing benefits to certain key employees commencing at retirement. Deferred compensation expense related to these agreements was \$217,596 and \$212,879 in 2021 and 2020, respectively. These amounts are required to accrue the present value of benefits at retirement.

The Foundation may make discretionary contributions to the 457(f) plan. The Foundation recorded deferred compensation expense related to the 457(f) plan of \$703,180 and \$680,149 in 2021 and 2020, respectively.

The Foundation is the owner and beneficiary of life insurance policies covering certain members of management. The policies had an aggregate cash surrender value of \$5,739,674 and \$4,359,319 at June 30, 2021 and 2020, respectively.

17 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The board has designated certain assets as reserved for endowment purposes. All spending from these reserves must be approved by the governing board. See note 2 for spending policy of the endowment.

18 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

	2021	2020
Purpose restrictions, available for spending		
Treatment fund	\$ -	\$ 42,468
Capital campaign	348,549	1,033,648
BRACE	9,787	12,842
PPT program	8,000	24,335
Kenya project	-	7,229
Other	11,919	29,137
Fairlawn psychiatrist	-	16,319
Total purpose restricted net assets	378,255	1,165,978
Time restrictions		
Contributions receivable, which are unavailable for spending until due, some of which are also subject to purpose restrictions	78,676	155,676
Endowment funds, which must be appropriated by the Board of Directors before use		
Children's Aid and Family Services operating activities (original amount of \$216,713)	216,713	216,713
Academic and residential program support (original amount of \$355,263)	4,220,147	3,549,845
Children's Friend operating activities (original amount of \$3,492,117)	5,564,270	4,593,776
Dynamy fund (original gifts of \$11,000)	11,000	11,000
Cottage Hill Academy (original gifts of \$150,000)	150,000	150,000
Total endowment funds managed by the Foundation	10,162,130	8,521,334
Total net assets with donor restrictions	\$ 10,619,061	\$ 9,842,988

SEVEN HILLS FOUNDATION AND AFFILIATES.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

18 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Operating:		
Investment return appropriated for expenditure	\$ 248,489	\$ 268,577
Operating activities	57,000	55,000
Treatment fund	42,468	-
PPT Program	16,335	-
Other	43,821	-
	<u>408,113</u>	<u>323,577</u>
Non-operating:		
Expenditures for property and equipment	789,016	42,000
	<u>\$ 1,197,129</u>	<u>\$ 365,577</u>

19 - STATE SURPLUS REVENUE RETENTION

The Commonwealth of Massachusetts has regulations governing the excess of state revenue over expenses for not-for-profit organizations subject to the Division of Purchased Services' Authority. Such a surplus, up to 20% of current year state revenue, shall be retained by the organization for its charitable purposes. If an organization has a surplus in excess of the 20% rule, the Commonwealth may stipulate the use of such excess by the Foundation, request the return of the surplus to the state, or reduce state funding in future years. Amounts within the 20% rule are included in net assets. Any amount in excess of these rules is owed to the Commonwealth. Through June 30, 2021, the Foundation did not have surpluses in excess of the 20% rule.

20 - CONCENTRATION

The Foundation receives a significant portion of its support and revenue from the Commonwealth of Massachusetts, Department of Developmental Services and Department of Early Education and Care. Total support and revenue included the following:

	<u>2021</u>	<u>2020</u>
Department of Developmental Services	\$ 104,435,196	\$ 93,626,056
Department of Early Education and Care	70,168,201	51,361,769

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

21 - STATEMENT OF CASH FLOWS

Supplemental disclosure of cash flows information is as follows:

	<u>2021</u>	<u>2020</u>
Cash paid during the year for interest	\$ 3,842,334	\$ 4,208,281

The Foundation acquired property and equipment and incurred capital lease obligations in the amount of \$537,577 and \$0 during 2021 and 2020, respectively.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	<u>2021</u>	<u>2020</u>
Cash	\$ 29,283,170	\$ 9,753,634
Deposits with trustees, cash and cash equivalents	<u>7,019,736</u>	<u>6,984,808</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 36,302,906</u>	<u>\$ 16,738,442</u>

22 - LEASES

The Foundation leases office equipment, motor vehicles and certain property, plant, and equipment under various lease agreements classified as operating or capital leases for financial statement purposes.

Lease expense was \$2,882,300 and \$2,529,239 in 2021 and 2020, respectively.

Future minimum lease payments under these operating leases are as follows:

Year Ending	<u>Capital</u>	<u>Operating</u>
2022	\$ 115,220	\$ 2,319,373
2023	115,220	1,774,551
2024	115,220	1,157,674
2025	115,220	739,154
2026	114,650	609,477
Thereafter	-	<u>2,268,242</u>
Total minimum lease payments	575,530	<u>\$ 8,868,471</u>
Less: Amount representing interest at 2.56% to 5.99%	<u>39,093</u>	
Obligations under capital lease	<u>\$ 536,437</u>	

23 - RETIREMENT PLAN

The Foundation has a 403(b) retirement plan covering substantially all employees. The Foundation made matching contributions to the plan in the amount of \$1,374,989 and \$953,524 in 2021 and 2020, respectively.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

24 - FAIR VALUE MEASUREMENTS

The Foundation reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

Level 1: Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

When available, the Foundation measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the Foundation is required to measure at fair value (for example, unconditional contributions receivable and in-kind contributions).

The primary uses of fair value measures in the Foundation's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and unconditional contributions receivable;
- recurring measurement of deposits with trustees;
- recurring measurement of endowment and long-term investments;
- recurring measurement of beneficial interests in assets held by community foundation; and
- recurring measurement of hedging instruments.

Determination of fair value

Following is a description of the valuation methodologies used for items measured at fair value. There have been no changes in the methodologies used during the year ended June 30, 2021.

*U.S. Government bonds, corporate and municipal bonds:* Determined using contractual cash flows and the interest rate determined by the closing bid price on the last business day of the fiscal year if the same or the obligation with a similar maturity is actively traded.

*Mutual funds and real estate investment trusts:* Valued at the daily closing price as reported by the securities. Securities held by the Foundation are open-ended funds that are registered with the SEC. These funds are required to publish their net asset value (NAV) and to transact at this price. The securities held by the Foundation are deemed to be actively traded.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

24 - FAIR VALUE MEASUREMENTS (Continued)

Determination of fair value

*Common stock and cash and money market accounts:* Valued at the NAV of shares held by the Foundation at year-end. NAV is valued at the closing price reported in the active market in which individual securities are traded.

*Exchange traded funds:* Determined by the published closing price on the last business date of the fiscal year.

*Beneficial interest in assets held by community foundation:* The Foundation estimates the fair value based on the value of the original deposits plus allocated income as calculated and reported by Greater Worcester Community Foundation (GWCF). The Foundation has evaluated the valuation policies of GWCF and the reported value of its holdings as of the statement of financial position date and believes that the reported value is reasonable and reflects the value at which the Foundation can redeem its holdings.

*Hedging instrument:* Valued using both observable and unobservable inputs, such as quotations received from counterparty, dealers or brokers, whenever available and considered reliable. In instances where models are used, the value of the interest rate swap depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates, assumptions for nonperformance risk and correlations of such inputs.

The Foundation's financial assets that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at June 30, 2021 as follows:

	Level 1	Level 2	Level 3	Total
<b>Investments</b>				
U.S. Government bonds	\$ -	\$ 2,696,473	\$ -	\$ 2,696,473
Corporate bonds	-	2,610,324	-	2,610,324
Municipal bonds	-	660,787	-	660,787
Mutual funds	40,297,247	-	-	40,297,247
Real estate investment trusts	17,460	-	-	17,460
Common stock	4,275,957	-	-	4,275,957
Cash and money market accounts	2,128,428	-	-	2,128,428
Exchange traded funds	5,745,455	-	-	5,745,455
<b>Total investments within the fair value hierarchy</b>	<b>52,464,547</b>	<b>5,967,584</b>	<b>-</b>	<b>58,432,131</b>
<b>Investments measured at net asset value</b>				<b>677,839</b>
<b>Total investments</b>				<b>59,109,970</b>
<b>Deposits with trustees</b>				
Cash and cash equivalents	7,019,736	-	-	7,019,736
U.S. Government bonds	-	1,472,550	-	1,472,550
<b>Total deposits with trustees</b>	<b>7,019,736</b>	<b>1,472,550</b>	<b>-</b>	<b>8,492,286</b>
<b>Beneficial interest in assets held by community foundation</b>	<b>-</b>	<b>-</b>	<b>1,407,870</b>	<b>1,407,870</b>
<b>Total recurring fair value measurements</b>	<b>\$ 59,484,283</b>	<b>\$ 7,440,134</b>	<b>\$ 1,407,870</b>	<b>\$ 69,010,126</b>

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

24 - FAIR VALUE MEASUREMENTS (Continued)

The Foundation's financial liabilities that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at June 30, 2021 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Hedging instrument	\$ -	\$ -	\$ (347,757)	\$ (347,757)

The Foundation's financial assets that are measured at fair value on a nonrecurring basis were recorded using the fair value hierarchy at June 30, 2021 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Noncash contribution	\$ -	\$ 121,580	\$ -	\$ 121,580

The Foundation's financial assets that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at June 30, 2020 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investments</b>				
U.S. Government bonds	\$ -	\$ 1,926,868	\$ -	\$ 1,926,868
Corporate bonds	-	2,334,011	-	2,334,011
Municipal bonds	-	511,373	-	511,373
Mutual funds	29,968,782	-	-	29,968,782
Real estate investment trusts	56,958	-	-	56,958
Common stock	3,328,429	-	-	3,328,429
Cash and money market accounts	2,037,343	-	-	2,037,343
Exchange traded funds	4,201,701	-	-	4,201,701
<b>Total investments within the fair value hierarchy</b>	<u>39,593,213</u>	<u>4,772,252</u>	<u>-</u>	<u>44,365,465</u>
Investments measured at net asset value				<u>429,391</u>
<b>Total investments</b>				<u>44,794,856</u>
<b>Deposits with trustees</b>				
Cash and cash equivalents	6,984,808	-	-	6,984,808
U.S. Government bonds	-	1,472,550	-	1,472,550
<b>Total deposits with trustees</b>	<u>6,984,808</u>	<u>1,472,550</u>	<u>-</u>	<u>8,457,358</u>
Beneficial interest in assets held by community foundation	-	-	1,061,294	1,061,294
<b>Total recurring fair value measurements</b>	<u>\$ 46,578,021</u>	<u>\$ 6,244,802</u>	<u>\$ 1,061,294</u>	<u>\$ 54,313,508</u>

SEVEN HILLS FOUNDATION AND AFFILIATES  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 (Continued)

24 - FAIR VALUE MEASUREMENTS (Continued)

The Foundation's financial liabilities that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at June 30, 2020 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Hedging instrument	\$ -	\$ -	\$ (548,730)	\$ (548,730)

There were no transfers between levels or purchases or sales of Level 3 assets during the year.

As disclosed in footnote 2 to the financial statements, the Foundation estimates the fair value of its investments in certain entities using the net asset value per share of the investment. Further information about these investments is presented below.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Alternative investments (a)	\$ 677,839	\$ -	Semi-annual	30 - 90 days

(a) This fund invests across primary, secondary, and direct co-investments in an attempt to build a portfolio that is diversified across vintage years as well as segments of the private equity market (buyout, growth equity, venture, and credit). The Fund seeks to deploy capital more quickly than traditional fund of funds portfolios while mitigating the J-curve and limiting fees through the use of secondary and direct investment. The fair value of the investments in this category has been estimated using the net asset value per share of the investments.

25 - CONCENTRATIONS OF RISK

The Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

26 - COMMITMENTS AND CONTINGENCY

The Foundation has claims and pending legal proceedings. The proceedings are, in the opinion of management, routine matters incidental to the normal business conducted by the Foundation. In the opinion of management, such proceedings are not expected to have a material adverse effect on the Foundation's financial position, results of operations or cash flows.

The Foundation has signed non-interest bearing facilities consolidation promissory notes with the Community Economic Development Assistance Corporation that are secured by real estate. The terms of the agreements require the Foundation to hold the properties for a period of 30 years. In the event the Foundation disposes of these properties prior to the required timeframe, the entire principal balance(s) will become due.

As of year-end, the Foundation had approximately 155 employees who are represented by Local 5068, United Nurses & Allied Professionals. The Foundation had negotiated a one year contract extension through June 2022.

The contracts with the states have been expended according to their respective terms contained in the agreements and are subject to possible final audit determination by certain governmental agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the combined financial position of the Foundation as of June 30, 2021, or on the changes in net assets for the year then ended.



SEVEN HILLS FOUNDATION AND AFFILIATES  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 (Continued)

**27 - RELATED-PARTY TRANSACTIONS**

Contributions included \$39,209 and \$68,970 from members of the Foundation's Board of Directors for the year ended June 30, 2021, and 2020, respectively.

The Foundation had the following balances and transactions with its unconsolidated affiliates:

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 6,091	\$ 40,221
Expenditures for property, plant and equipment	103,716	152,276

The Foundation has a 6.96% ownership in an unconsolidated affiliate which is the investment advisor for certain investments. Investment fees paid were \$11,417 and \$9,765 in 2021 and 2020, respectively.

In June 2018, the Seven Hills Family Services, Inc. affiliate entered into a long-term service and supports community partner agreement. This affiliate is doing business as Massachusetts Care Coordination Network under this agreement.

**28 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 10, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**29 - RECLASSIFICATION**

Certain amounts in the 2020 comparative information have been reclassified to conform with the 2021 presentation. Such reclassifications had no effect on the change in net assets as previously reported.

**SUPPLEMENTARY INFORMATION**

## SEVEN HILLS FOUNDATION AND AFFILIATES

## COMBINING STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS

YEAR ENDED JUNE 30, 2021

	Seven Hills Foundation	Seven Hills Family Services, Inc	Seven Hills Aspire, Inc	Seven Hills Community Services, Inc	Children's Aid & Family Service, Inc	Seven Hills Extended Care at Groton, Inc	Seven Hills Behavioral Health, Inc
<b>Operating support and revenue:</b>							
Government contracts and fees	\$ 1,020,702	\$26,517,176	\$ 7,191,316	\$ 88,195,854	\$ 70,759,637	\$ 21,247,741	\$ 4,012,429
H U D rental subsidy	-	-	-	499,693	-	-	-
Private contracts and fees	-	778,292	139,913	49,710	51,322	-	128,582
Trainee production	-	-	11,003	-	-	-	-
Rent, vending, service fees	474,374	120,539	268,003	4,571,914	-	-	-
Interest income	270,832	-	-	-	-	-	-
Net investment return for operations	1,019,236	-	-	39	1	9	-
Contributions	524,746	120,754	17,725	39,505	1,154	21,440	1,582
Grants	-	55,620	127,951	2,400	93,845	49,862	209,654
Cafeteria	-	-	35,225	-	-	-	-
Management fee	15,793,838	-	-	-	-	-	-
Gain (loss) on sale of property and equipment	47,079	-	-	-	-	-	-
Other	1,170,930	-	-	976,973	993	65	60
Net assets released from restrictions:							
Satisfaction of purpose restrictions	305,489	-	-	-	-	-	-
<b>Total support and revenue</b>	<b>20,627,231</b>	<b>27,592,381</b>	<b>7,791,136</b>	<b>94,336,088</b>	<b>70,906,952</b>	<b>21,319,117</b>	<b>4,352,307</b>
<b>Operating expenses:</b>							
<b>Program services</b>							
Residential services	-	-	-	92,417,492	-	-	-
Family support	-	26,330,566	-	-	-	-	-
Vocational services	-	-	8,300,778	-	-	-	-
Nursing home services	-	-	-	-	-	18,604,184	-
Community services	-	-	-	-	-	-	4,332,144
Facility maintenance	70,227	149,010	272,435	75,243	-	-	-
Children services	-	-	-	-	70,693,692	-	-
Clinical services	-	-	-	-	-	-	-
School services	-	-	-	-	-	-	-
Global outreach	-	-	-	-	-	-	-
Open door arts	-	-	-	-	-	-	-
	70,227	26,479,576	8,573,213	92,492,735	70,693,692	18,604,184	4,332,144
<b>Supporting services</b>							
Management and general	17,553,322	-	-	-	-	2,575,449	-
Fundraising	95,905	-	-	-	-	-	-
<b>Total expenses</b>	<b>17,719,454</b>	<b>26,479,576</b>	<b>8,573,213</b>	<b>92,492,735</b>	<b>70,693,692</b>	<b>21,179,633</b>	<b>4,332,144</b>
<b>Change in net assets from operations</b>	<b>2,907,777</b>	<b>1,112,805</b>	<b>(782,077)</b>	<b>1,843,353</b>	<b>213,260</b>	<b>139,484</b>	<b>20,163</b>
<b>Non operating revenue:</b>							
Investment return, net of amounts appropriated for operations	7,165,028	-	-	-	-	-	-
Unrealized gain on hedging instruments	200,973	-	-	-	-	-	-
Net assets released from restrictions:							
Satisfaction of purpose restrictions	21,717	-	-	-	-	-	-
<b>Change in net assets</b>	<b>10,295,495</b>	<b>1,112,805</b>	<b>(782,077)</b>	<b>1,843,353</b>	<b>213,260</b>	<b>139,484</b>	<b>20,163</b>
<b>Net assets, beginning of year</b>	<b>60,268,661</b>	<b>18,362,909</b>	<b>3,174,697</b>	<b>17,767,629</b>	<b>(477,539)</b>	<b>(6,679,475)</b>	<b>(4,167,817)</b>
<b>Net assets, end of year</b>	<b>\$ 70,564,156</b>	<b>\$19,475,714</b>	<b>\$ 2,392,620</b>	<b>\$ 19,610,982</b>	<b>\$ (264,279)</b>	<b>\$ (6,539,991)</b>	<b>\$ (4,147,654)</b>

Schedule I

Seven Hills Rhode Island	Seven Hills Global Outreach	Stetson Home & Stetson School, Inc	Open Door Arts	Children's Friend	Family Services of Central MA	Youth Opportunities Upheld, Inc	Other Affiliates	Eliminations	Total
\$ 21,392,658	\$ -	\$ 15,892,985	\$ 130,788	\$ 2,462,639	\$ 1,049,444	\$ 22,370,080	\$ -	\$ -	\$ 282,243,449
48,199	-	-	5,466	161,496	183,961	1,300,132	-	-	499,693
714,896	-	911,680	-	-	-	-	(c)	(900,000)	2,849,073
277	-	-	-	-	-	-	-	-	11,003
65,346	-	69	85,007	1,314,192	12,954	673,374	-	-	6,161,411
11,670	53,316	7,070	39,356	47,281	156,923	162,291	-	-	271,109
298,462	15,000	358,406	217,600	100,764	619,306	1,045,460	-	-	3,170,227
3,924	-	-	-	-	-	-	-	-	1,204,813
1,611,900	-	-	-	-	-	-	(b)	(17,405,738)	3,194,330
96,006	-	-	-	-	-	-	-	-	39,149
295,036	-	3,091	-	83,127	2,750	375,954	-	-	143,085
-	-	-	-	-	-	-	-	-	2,908,979
-	-	-	-	-	-	102,624	-	-	408,113
<u>24,538,374</u>	<u>68,316</u>	<u>17,173,301</u>	<u>478,217</u>	<u>4,169,499</u>	<u>2,027,338</u>	<u>26,029,915</u>	-	<u>(18,305,738)</u>	<u>303,104,434</u>
-	-	-	-	-	2,629,922	-	(b)	(7,304,295)	85,113,197
-	-	-	-	-	-	-	(b)	(2,502,884)	26,457,604
-	-	-	-	-	-	-	(b)	(708,646)	7,592,132
24,482,404	-	-	-	-	-	-	(b)	(1,090,392)	17,313,792
-	-	-	-	-	-	-	(b)	(2,073,066)	26,741,482
-	-	-	-	3,249,584	-	-	(b)	(43,547)	523,368
-	-	-	-	-	-	25,547,809	(b)	(543,576)	73,399,700
-	-	15,899,135	-	-	-	-	(b)	(1,950,912)	23,596,897
-	236,262	-	-	-	-	-	(b,c)	(1,892,820)	14,006,315
-	-	-	459,323	-	-	-	(b)	(17,676)	218,586
-	-	-	-	-	-	-	(b)	(37,776)	421,547
<u>24,482,404</u>	<u>236,262</u>	<u>15,899,135</u>	<u>459,323</u>	<u>3,249,584</u>	<u>2,629,922</u>	<u>25,547,809</u>	-	<u>(18,165,590)</u>	<u>275,584,620</u>
-	-	-	-	-	-	-	(b)	(140,148)	19,988,623
-	-	-	-	-	-	-	-	-	95,905
<u>24,482,404</u>	<u>236,262</u>	<u>15,899,135</u>	<u>459,323</u>	<u>3,249,584</u>	<u>2,629,922</u>	<u>25,547,809</u>	-	<u>(18,305,738)</u>	<u>295,669,148</u>
55,970	(167,946)	1,274,166	18,894	919,915	(602,584)	482,106	-	-	7,435,286
-	-	-	-	-	-	-	-	-	7,165,028
-	-	-	-	-	-	-	-	-	200,973
-	-	-	-	-	-	767,299	-	-	789,016
55,970	(167,946)	1,274,166	18,894	919,915	(602,584)	1,249,405	-	-	15,590,303
591,672	(3,036,141)	995,517	(136,185)	422,513	(91,757)	1,593,359	(7,072,405)	(a)	(97,800)
<u>\$ 647,642</u>	<u>\$ (3,204,087)</u>	<u>\$ 2,269,683</u>	<u>\$ (117,291)</u>	<u>\$ 1,342,428</u>	<u>\$ (694,341)</u>	<u>\$ 2,842,764</u>	<u>\$ (7,072,405)</u>	<u>(a)</u>	<u>\$ (97,800)</u>
									<u>\$ 97,008,141</u>

See accompanying independent auditor's report.

SEVEN HILLS FOUNDATION AND AFFILIATES

EXPLANATION OF ELIMINATIONS

YEAR ENDED JUNE 30, 2021

- (a) To eliminate effects of intercompany sale/leaseback of facility.
- (b) To eliminate intercompany management fees.
- (c) To eliminate intercompany charges for rent.

See accompanying independent auditor's report.



**GOVERNING BOARD OF DIRECTORS – 2022**

**John N. Altomare, Esq., Chair**  
Attorney & Managing Partner  
FA & E Law Offices

**Eric Batista**  
Acting City Manager  
City of Worcester

**Maureen F. Binienda**  
Superintendent  
Quaboag Regional School District

**Dr. Charles P. Conroy, Vice-Chair**  
Exec. Director Emeritus, Perkins School  
Consultant & Manager, Charles P.  
Conroy Consulting, LLC

**Dr. Carol Donnelly**  
Professor  
Worcester State University

**Dr. Catherine Jones**  
Emergency Physician  
Wachusett Emergency Physicians

**Dr. David A. Jordan, President**  
President  
Seven Hills Foundation

**Robert L. Mahar, Treasurer**  
Retired

**Dr. Tammy Murray, Member-at-Large**  
Director of Special Education & Itinerant  
Services, Central Mass Collaborative

**Deborah J. Needleman, Secretary/Clerk**  
Retired

**Dr. David Paydarfar**  
Professor & Chair of Neurology, Dell  
Medical School at The University of  
Texas at Austin  
Director, Mulva Clinic for the  
Neurosciences

**Frances Polito**  
Retired

**Raymond L. Quinlan**  
President  
Rayne Development Corporation

**Marianne E. Rogers**  
Retired

**David E. Simon**  
Director  
Berkeley Research Group

**Peter Stanton**  
CEO, New England Business Media  
Publisher, Worcester Business Journal

**David K. Woodbury**  
President  
Woodbury and Company, Inc.

## Joseph A. Allred

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### PROFILE

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Private Not-For-Profit Vice President successful at building high-performance teams and leading sophisticated treatment program with budget up to \$15 million. Organized and detailed-oriented professional with more than fifteen years experience in the human services field. Skilled at establishing operational excellence, translating conceptual models into specific growth strategies, establishing systems for outcome delivery and building relationships. Effective at cultivating and building productive and responsive relationships within the social services and special education community.

### Core Competencies

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- Provides vision, direction, inspiration and motivation necessary to ensure the agency's success.
- Ensures that staff are properly selected, supported, nurtured and guided.
- Contributes to the dialogue, vision and direction of the pertinent national or local communities
- Ensures proper care and development of the agency's history, culture, reputation and image.
- Ensures adoption of and adherence to appropriate values and ethical standards in all agency business.
- Collaborates with other private and/or public agencies for greater social impact.
- Makes decisions that result in efficient and effective agency functioning.
- Establishes accountability standards and systems that track the agency's effectiveness and impact.

### Career Track

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Stetson School, Inc. (An Affiliate of the Seven Hills Foundation)—a 102 bed Chapter 766 Special Education Residential School specializing in the education and treatment of males ages 9-21.

#### Highlights:

- Effectively managed the agency's reorganization following a period of declining census.
- Successfully led the program through a new state procurement process resulting in the awarding of new program models.
- Secured new out of state markets to allow for increased census.
- Improved customer relations with all markets.
- Enhanced/developed highly specialized treatment program and promoted the model in 12 different states.
- Successfully led the program through a national reaccreditation process
- Drastically improved relationships with state regulators and funders.
- Successfully integrated programmatic functions following merger with Seven Hills Foundation.
- Implemented robust data collection methods to track incidents of safety/risk.
- Designed/Implemented Animal Assisted Therapy program

Progression:

Vice President.....	2014 to Present
Assistant Vice President/Program Director.....	2011 to 2014
Unit Director.....	2011 to 2011

Originally hired as a Unit Director of our Alternative Learning Program students. Promoted within six months to lead the organization through its efforts to stabilize student census and improve the organizations standing in the provider community. In this role I was directly accountable to the Chief Executive Officer and ultimately responsible for the quality, consistency, continuity, and management of all programs and services, human resources, marketing and admissions, information technology, project management, program quality improvement, licensing and accreditation as well as facility operations of the organization.

Previously employed by The Key Program, Inc. from 2001 through 2011. Over my ten year career at Key, I was progressively promoted and left the organization as the Program Supervisor. In this role, supervised the day-to-day operation of adolescent male Group Home and Alternative Lock-Up Program. Responsible for all aspects of program management, clinical coordination, administrative and continuous quality improvement as well as revenue and budget expenditures. Responsible for the recruiting, orienting, training and supervision of twenty staff. Oversight of all aspects of staff performance, evaluation, discipline, mediation of staff disputes. Collaboration with various state agencies including the Department of Children and Families, Department of Youth Services, Executive Office of Public Safety and Juvenile Probation.

**Education/Affiliations**

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- *Juris Doctorate*, University of Massachusetts School of Law
- *Master of Science-Organizational Management/Leadership*, Springfield College
- *Bachelor of Science-Political Science/Criminal Justice*, Southern Utah University
  
- Massachusetts Association of Approved Private Schools (MAAPS)
- National Association of Private Special Education Centers (NAPSEC)
- Massachusetts Adolescent Sexual Offender Coalition (MASOC)
- Department of Early Education and Care-restraint regulation committee (DEEC)
- Department of Children and Families-Adolescent Breakthrough Series Member (DCF)

**Presentations/Exhibits**

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- Allred, J., Gulmi, S., Lafountain, M., Dickie, T., Lewis, J. (2015). **Normalizing Community Involvement for At-Risk Youth While Also Maintaining Individual and Community Safety.** Panel presentation offered at the MASOC conference.
- Allred, J., Balsler, A., Gulmi, S. (2015). **Animal Assisted Therapy: A Stetson School Approach.** National Webinar sponsored by Partlow Insurance Company via the National Association of Private Special Education Centers (NAPSEC).
- Allred, J., Lafountain, M. (2015). **Implementation of the Massachusetts Departments of Children and Families and Mental Health Caring Together Initiative.** Training/Discussion regarding the implementation requirements for Caring Together with the Seven Hills Foundation's new Caring Together Medically Intensive Group Home.



- Allred, J., O'Brien, S. (2014). **Problematic Sexual and Non-Sexual Behavior Treatment for Adolescent Males.** Training/Discussion presented to the Illinois Department of Education regarding Stetson's broad range of treatment programming.
- Allred, J., O'Brien, S. (2014). **Youthful Offenders: A Residential Treatment Approach.** Panel presentation offered at the Westchester County New York Department of Children and Families.
- Allred, J., Brennan, M., Holden, N., Lefemine, F., Sabourin, J. (2014). **From 911 to "Juvie."** Panel presentation/discussion on the importance of Residential Programs building positive relationships with law enforcement, and understanding the process if students become involved in those systems. Presentation held at the Massachusetts State Police Academy and organized through the Massachusetts Association of Approved Private Schools (MAAPS).
- Allred, J., Lafountain, M. (2014). **Implementation of the Medication Administration Program for programs contracted with the Massachusetts Department of Children and Families.** Panel Presentation to the South Central office of the Department of Children and Families social workers on how MAP has been implemented to DCF funded programs.
- Allred, J., O'Brien, S. (2014). **Transitional Age Youth Planning.** Panel presentation to the Delaware Probation Department on Stetson School's development and implementation of Transitional Services/Planning for youth ages 16-21.
- Allred, J., O'Brien, S. (2013). **Transitioning Juvenile Sexual Offenders into the Community.** Presentation to the Maryland Department of Human Resources on Stetson's approach to transition planning for high risk youth.
- Allred, J., O'Brien, S. (2013). **Assessing Risk Factors for Youthful Offenders.** Presentation to the New Hampshire Department of Children Youth and Families on the assessment of risk for youthful offenders.
- Allred, J., O'Brien, S. (2013). **Educating and Treating High Functioning Autism Spectrum Youth With High Risk Behaviors.** Presentation to the Virginia Department of Children and Families
- Allred, J., O'Brien, S. (2013). **Assessing Risk Factors for Youthful Offenders.** Presentation to the Vermont Department of Children Youth and Families on the assessment of risk for youthful offenders.
- Allred, J., O'Brien, S. (2012). **Education, Treatment and Community Integration.** Presentation to the Westchester County New York Probation Department.
- Allred, J., O'Brien, S., (2012). **Transition Planning for Youth with Behavior Disorders.** Presentation to Delaware Probation and Delaware Juvenile/Family Court.
- Allred, J. O'Brien, S., (2012). **Internal Investigation Strategies for Residential Programs.** Presentation to Westchester County Department of Social Services Provider Network.
- Allred, J. O'Brien, S., (2011). **Introduction to Stetson School.** Presentation to Connecticut Department of Children and Families.

**REFERENCES FURNISHED UPON REQUEST**

## Sally L. Gulmi

### CAREER OBJECTIVE

Clinical Director

### EXPERIENCE

#### **NORTHEAST CENTER FOR YOUTH AND FAMILIES – June 2012-present – Easthampton, MA: Clinical Director**

Responsible for the overall coordination of clinical care throughout the Agency. Member of the Management and Leadership Team. Ensure a clinical voice throughout the agency. Chair of Agency's "Think Tank" committee, which formulates the Agency's clinical mission statement based on best practice. Apply the gains and practices of my work in previous positions to all of the Agency's service areas. Create a continuum of care, from residential to foster care to outreach or in-home placement. Support and supervise clinical staff through trainings and consultation to implement the new behavioral model for residential care. Steering committee for STEP project, based upon training clinicians in the TP-CBT clinical trauma-based model. Train and supervise clinicians and interns and ensure their use of best practice. Develop and supervise training for foster parents, biological families. Responsible for the selection and implementation of an assessment tool for all clients entering care at the Agency. Coordinate nursing and psychiatric care for all service areas. Engage stakeholders and providers; act as Agency's representative in meetings and interactions with providers. Intervene as necessary, particularly in complex cases.

#### **NORTHEAST CENTER FOR YOUTH AND FAMILIES – December 2011-June 2012 – Easthampton, MA: Interim Clinical Director of Residential Services**

Responsible for restructuring service delivery, including a reformulation of policies and procedures in order to best meet therapeutic needs of clients. Responsible for shaping and implementing a comprehensive continuum of care model to best meet the clinical needs of clients in residential and foster care services. Responsible for supervision of clinicians, providing guidance, support, and instruction in their work with our complex clients, including formulating both individual and global plan to advance clinical vision. Responsible for administrative management, support, and leadership. Member of Agency's Leadership Team.

#### **NORTHEAST CENTER FOR YOUTH AND FAMILIES – January 2008-June 2012 – Easthampton, MA: Clinical Director of Foster Care**

Responsible for clinical supervision and oversight of clinical services, inclusive of development of treatment plans, i.e. formulating comprehensive treatment plans, assessment of needs to implementation of specialized therapeutic care, written psycho-socials, risk evaluations as needed, to best meet the goals and expectations of clients and providers. Lead, schedule, and guide the protocol of weekly clinical rounds within 45 days of placement. Responsible for formulating clinical policy and procedures. Responsible for developing clinical vision and clinical direction of the service area. Responsible for implementation of best practice model of integrated case management and clinical care. Oversee and support the management of psycho-pharmaceutical needs of clients, including consultation with psychiatrist and nurse. Engage with our providers on an ongoing basis. Guide and support professional development and skills of clinicians as and case managers for whom supervision is also provided. Responsible for addressing complex educational placements and making recommendations to members of both internal and external care providers. Establish effective lines of communication with providers as well as legal guardians, legal teams, foster parents, educational teams, and community supports, to best articulate Agency and service area specific policies and procedures, to maintain the integrity of our philosophical goals. Provide active oversight while continuing to enhance and inform the care of clients with sexually problematic behaviors, as well as educate the larger community both internally and externally about our population's clinical presentations. Responsible for administrative management, support, and leadership. Advocate for best clinical practice with acute consideration of the need to bridge best clinical practice with the stakeholder realities. Member of Agency's Leadership Team.

**NORTHEAST CENTER FOR YOUTH AND FAMILIES** – April 2003-January 2008 - Easthampton, MA: Clinician  
Program Clinician for adolescent girls and adolescent boys. Responsible for clinical services inclusive of  
case management, groups, and individual therapy.

**LAKE GROVE AT MAPLE VALLEY** – April 2002-April 2003 - Wendell, MA: Clinician  
Clinician for adolescent boys with significant behavioral issues. Responsible for individual, group, and  
family therapy.

**HAMPSHIRE REGIONAL SCHOOL DISTRICT** – September 2001-March 2002 - Westhampton, MA: District  
Tutor/Counselor  
Taught a ninth-grade girl English, Math, and Earth Science as well as acted as her counselor.

**HAMPSHIRE REGIONAL SCHOOL DISTRICT**– September 2000-June 2001 - Westhampton, MA: Tutor  
Tutor for an eighteen-year-old boy with muscular dystrophy. Subjects taught: English, Math, Sociology,  
and Psychology.

**HAMPSHIRE REGIONAL SCHOOL DISTRICT** – January 2000-June 2000 – Westhampton, MA: Tutor/Counselor  
Counselor and tutor for a seventh-grade student. Subjects taught: Math, History, Science, and English.

### EDUCATION

University of Massachusetts - Amherst, Massachusetts  
Doctoral Candidate, 1994: Cultural Diversity of Adolescent Girls (coursework completed, proposal accepted)

St. Lawrence University - Canton, New York  
Masters of Education, 1977: Counseling Psychology

Potsdam State University - Potsdam, NY  
Bachelor of Arts, 1974

### AFFILIATIONS

TF-CBT, Steering Committee Member  
NoFIRE (Northwestern District Attorney's Office initiative), Development Committee Member  
MASOC, Member  
Foster Family-based Treatment Association (FFTA), Member

### ELECTED POSITIONS

Williamsburg School Committee, Member – 1990-1996 – Williamsburg, MA  
Williamsburg School Committee, Chair – 1994-1996 – Williamsburg, MA  
Hampshire Regional School Committee, Advisory Board – 1994-1996 – Westhampton, MA  
Hampshire Regional School Committee, Member – 1996-2000 – Westhampton, MA  
Hampshire Regional School Committee, Superintendent Search Committee – Westhampton, MA

*References Available Upon Request*

Contractor Name  
Key Personnel

Name	Job Title	Salary Amount Paid from this Contract
Joseph Allred	Vice President	173,548
Sally Gulmi	Assistant Vice President	103,126


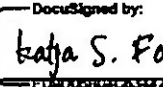
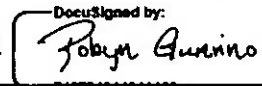
Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

**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 Vermont Permanency Initiative, Inc.		1.4 Contractor Address 192 Fairview Street Bennington, VT 05201	
1.5 Contractor Phone Number 802-447-1557 ext. 104	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 10/12/2022		1.12 Name and Title of Contractor Signatory Jeff Caron President	
1.13 State Agency Signature DocuSigned by:  Date: 10/14/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 10/14/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

**2. SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omissions of the

Contractor Initials

Date 10/12/2022



Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

#### 14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

#### 15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").**

**1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:**

**12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.**

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

---

its Plan within five (5) days of notification of non-approval from the Department.

- 1.6. The Contractor must implement the Plan immediately upon notification of Department approval.
- 1.7. Reporting
  - 1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:
    - 1.7.1.1. Youth Served.
    - 1.7.1.2. Workforce, including, but not limited to:
      - 1.7.1.2.1. Total Staffing.
      - 1.7.1.2.2. Resignations.
      - 1.7.1.2.3. Vacant Positions.
      - 1.7.1.2.4. Offers.
  - 1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

- 2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.
- 2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.
- 2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

- 3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

4.1. The Contractor must keep records that include, but are not limited to:

4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR.Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.





New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated recordset" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.



New Hampshire Department of Health and Human Services

Exhibit D

- i. "Required by Law" shall have the same meaning as the term "required by law" in 45CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
- I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



## New Hampshire Department of Health and Human Services

## Exhibit D

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
- o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



**New Hampshire Department of Health and Human Services**

**Exhibit D**

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

3/2014

Contractor Initials

DS  
[Handwritten Initials]

Date 10/12/2022



## New Hampshire Department of Health and Human Services

## Exhibit D

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

3/2014

Contractor Initials

Date 10/12/2022



New Hampshire Department of Health and Human Services

Exhibit D

- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

Department of Health and Human Services

The State of New Hampshire

*Katja S. Fox*

Signature of Authorized Representative

Katja S. Fox

Name of Authorized Representative

Director

Title of Authorized Representative

10/14/2022

Date

Vermont Permanency Initiative, Inc

Name of the Contractor

*Jeff Caron*

Signature of Authorized Representative

Jeff Caron

Name of Authorized Representative

President

Title of Authorized Representative

10/12/2022

Date

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

**II. METHODS OF SECURE TRANSMISSION OF DATA**

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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New Hampshire Department of Health and Human Services

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DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

**New Hampshire Department of Health and Human Services**

**Exhibit E**

**DHHS Information Security Requirements**



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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**New Hampshire Department of Health and Human Services**

**Exhibit E**

**DHHS Information Security Requirements**

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5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

**A. DHHS Privacy Officer:**

DHHSPrivacyOfficer@dhhs.nh.gov

**B. DHHS Security Officer:**

DHHSInformationSecurityOffice@dhhs.nh.gov

STATE OF VERMONT  
OFFICE OF SECRETARY OF STATE

Certificate of Good Standing

I, James C. Condos, Vermont Secretary of State, do hereby certify that according to the records of this office

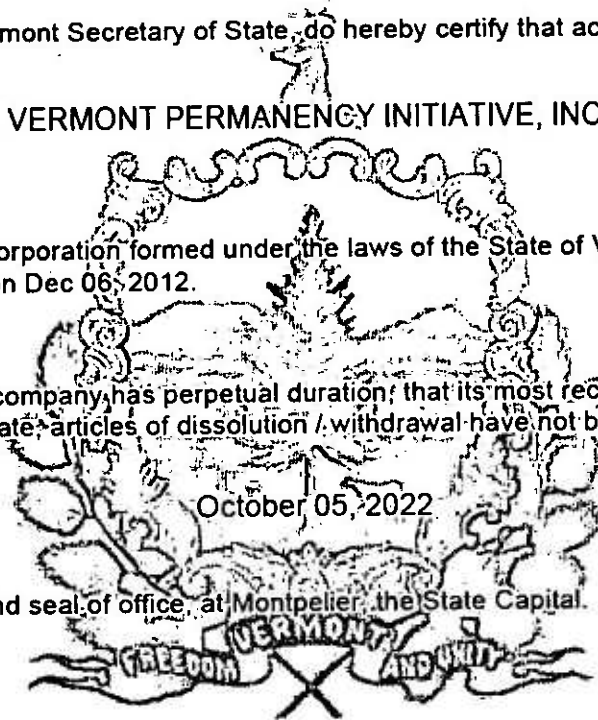
VERMONT PERMANENCY INITIATIVE, INC.

a Domestic Non-profit Corporation formed under the laws of the State of VERMONT, was filed for record in this office on Dec 06, 2012.

I further certify that the company has perpetual duration; that its most recent annual report is on file, and that as of this date, articles of dissolution / withdrawal have not been filed.

October 05, 2022

Given under my hand and seal of office, at Montpelier, the State Capital.



*James C. Condos*

James C. Condos  
Vermont Secretary of State



Business ID: 0092922  
Certificate Number: 2014006449001





CERTIFICATE OF AUTHORITY

I, Jeffrey Park hereby certify that:  
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duty elected Clerk/Secretary/Officer of Vermont Permanency Initiative, Inc.  
(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 Aug 30, 2022, at which a quorum of the Directors/shareholders were present and voting.

VOTED: That Jeffrey Caron and Laura Baker (may list more than one person) are duly authorized on behalf of Vermont Permanency Initiative, Inc. to enter into contracts or agreements with the State 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: 10/12/22

  
\_\_\_\_\_  
Jeffrey Park  
Title: Secretary, the Vermont Permanency Initiative, Inc.





# CERTIFICATE OF LIABILITY INSURANCE

7/3/2023

DATE (MM/DD/YYYY)  
10/14/2022

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Lockton Companies 1185 Avenue of the Americas, Suite 2010 New York NY 10036 646-572-7300	<b>CONTACT NAME:</b> <b>PHONE (A/C No. Ext):</b> <span style="float: right;"><b>FAX (A/C No):</b></span> <b>E-MAIL ADDRESS:</b> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; border: none;"><b>INSURER(S) AFFORDING COVERAGE</b></td> <td style="text-align: center; border: none;"><b>NAIC #</b></td> </tr> <tr> <td style="border: none;"><b>INSURER A: Maine Employers' Mutual Insurance Co</b></td> <td style="border: none; text-align: center;">11149</td> </tr> <tr> <td style="border: none;"><b>INSURER B:</b></td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;"><b>INSURER C:</b></td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;"><b>INSURER D:</b></td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;"><b>INSURER E:</b></td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;"><b>INSURER F:</b></td> <td style="border: none;"></td> </tr> </table>	<b>INSURER(S) AFFORDING COVERAGE</b>	<b>NAIC #</b>	<b>INSURER A: Maine Employers' Mutual Insurance Co</b>	11149	<b>INSURER B:</b>		<b>INSURER C:</b>		<b>INSURER D:</b>		<b>INSURER E:</b>		<b>INSURER F:</b>	
<b>INSURER(S) AFFORDING COVERAGE</b>	<b>NAIC #</b>														
<b>INSURER A: Maine Employers' Mutual Insurance Co</b>	11149														
<b>INSURER B:</b>															
<b>INSURER C:</b>															
<b>INSURER D:</b>															
<b>INSURER E:</b>															
<b>INSURER F:</b>															
<b>INSURED</b> 1504364 Vermont Permanency Initiative Inc. P.O. Box 328 Plymouth NH 03264															

**COVERAGES** **CERTIFICATE NUMBER: 19036364** **REVISION NUMBER: XXXXXXXX**

**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <hr/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX DAMAGE TO RENTED PREMISES (Ea occurrence) \$ XXXXXXXX MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ XXXXXXXX GENERAL AGGREGATE \$ XXXXXXXX PRODUCTS - COMP/OP AGG \$ XXXXXXXX \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			NOT APPLICABLE			COMBINED SINGLE LIMIT (Ea accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$ XXXXXXXX
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	5101800528	7/3/2022	7/3/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ \$500,000 E.L. DISEASE - EA EMPLOYEE \$ \$500,000 E.L. DISEASE - POLICY LIMIT \$ \$500,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

<b>CERTIFICATE HOLDER</b> 19036364 State of NH Department of Health and Human Services 129 Pleasant Street Concord NH 03301-3857	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. <hr/> AUTHORIZED REPRESENTATIVE 
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The mission of VPI is to provide a therapeutic community that enables youth to heal from past trauma, find pleasure and joy in their present lives and build resources for their futures.



**CONSOLIDATED FINANCIAL STATEMENTS**

and

**SUPPLEMENTARY INFORMATION**

June 30, 2021

With Independent Auditor's Report





## INDEPENDENT AUDITOR'S REPORT

Boards of Trustees  
Becket Academy, Inc. and Affiliates

We have audited the accompanying consolidated financial statements of Becket Academy, Inc. and Affiliates (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Boards of Trustees  
Becket Academy, Inc. and Affiliates  
Page 2

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Becket Academy, Inc. and Affiliates as of June 30, 2021, and the consolidated changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

### Other Matters

#### *Changes in Accounting Principles*

As discussed in Note 1 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and related guidance, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules and Schedule of Private Non-Medical Institution (PNMI) Revenue and Expenses are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
November 30, 2021

**BECKET ACADEMY, INC. AND AFFILIATES**  
**Consolidated Statement of Financial Position**

**June 30, 2021**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 28,564,495
Tuition and fees receivable, net	11,306,219
Prepaid expenses	<u>469,994</u>
<b>Total current assets</b>	<u><b>40,340,708</b></u>
<b>Property and equipment</b>	
Land and land improvements	5,109,439
Buildings and building improvements	30,989,141
Leasehold improvements	3,378,657
Vehicles and equipment	5,368,796
Furniture and fixtures	2,490,741
Construction-in-progress	<u>475,812</u>
	47,812,586
Less accumulated depreciation	<u>16,326,444</u>
<b>Property and equipment, net</b>	<u><b>31,486,142</b></u>
<b>Other assets</b>	
Other long-term asset	365,732
Replacement reserves	<u>6,829</u>
<b>Total assets</b>	<u><b>\$ 72,199,411</b></u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Current portion of long-term debt	\$ 1,166,717
Accounts payable	1,521,978
Accrued expenses	7,546,060
Prepaid tuition	299,406
COVID funding advances	<u>678,697</u>
<b>Total current liabilities</b>	11,212,858
<b>Long-term debt, net of current portion and unamortized deferred costs</b>	<u><b>16,786,773</b></u>
<b>Total liabilities</b>	27,999,631
<b>Net assets without donor restrictions</b>	<u><b>44,199,780</b></u>
<b>Total liabilities and net assets</b>	<u><b>\$ 72,199,411</b></u>

The accompanying notes are an integral part of these consolidated financial statements.



**BECKET ACADEMY, INC. AND AFFILIATES****Consolidated Statement of Activities****Year Ended June 30, 2021**

<b>Changes in net assets without donor restrictions</b>	
<b>Revenue and support</b>	
Tuition, fees and other support, net	\$ 105,720,911
State nutrition program	155,156
Contributions	276,274
Cares Act Funding	10,097,975
Other revenue	<u>741,648</u>
<b>Total revenue and support</b>	<b><u>116,991,964</u></b>
<b>Expenses</b>	
<b>Program expenses</b>	
Education and home life	84,082,529
<b>Supporting expenses</b>	
General administration	<u>16,974,205</u>
<b>Total expenses</b>	<b><u>101,056,734</u></b>
<b>Total change in net assets</b>	<b>15,935,230</b>
<b>Net assets, beginning of year</b>	<b><u>28,264,550</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 44,199,780</u></b>

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The accompanying notes are an integral part of these consolidated financial statements.

**BECKET ACADEMY, INC. AND AFFILIATES****Consolidated Statement of Cash Flows****Year Ended June 30, 2021**

Cash flows from operating activities	
Change in net assets	\$ 15,935,230
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	3,230,397
Change in allowance for doubtful accounts	290,000
Decrease (increase) in	
Tuition and fees receivable, net	1,505,841
Prepaid expenses	(156,552)
Increase (decrease) in	
Accounts payable	197,741
Accrued expenses	2,230,898
Prepaid tuition	72,723
COVID funding advances	<u>(5,502,136)</u>
Net cash provided by operating activities	<u>17,804,142</u>
Cash flows from and used by investing activities	
Purchase of property and equipment	<u>(2,669,922)</u>
Cash flows from financing activities	
Repayments on line of credit	(496,247)
Proceeds from long-term borrowings	292,000
Principal payments on long-term borrowings	(3,491,879)
Payment of deferred financing costs	<u>(36,996)</u>
Net cash used by financing activities	<u>(3,733,122)</u>
Net increase in cash, cash equivalents and restricted cash	11,401,098
Cash, cash equivalents and restricted cash, beginning of year	<u>17,170,226</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 28,571,324</u>
Breakdown of cash, cash equivalents and restricted cash, end of year	
Cash and cash equivalents	\$ 28,564,495
Replacement reserves	<u>6,829</u>
	<u>\$ 28,571,324</u>
<b>Supplemental disclosures</b>	
Noncash investing and financing transactions	
Acquisition of property and equipment with issuance of long-term debt to seller's financing company	<u>\$ 1,031,500</u>

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The accompanying notes are an integral part of these consolidated financial statements.

## BECKET ACADEMY, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021

#### Nature of Business

Becket Academy, Inc. and Affiliates (the Organization) provides community-based and residential treatment and education services to children, adolescents and adults through various schools and programs. The programs provided jointly market themselves as the Becket Family of Services with the exception of Mountain Valley Treatment Center (MVTC).

Becket Academy, Inc. (Becket) is a not-for-profit corporation incorporated under provisions of the laws of the State of Maine with residential programs at locations in Belgrade, Lewiston, Auburn and Litchfield, Maine. Becket operates two region based special purpose schools to serve the residents at the programs and community students in need of specialized academic services. Becket also operates adult group homes in Massachusetts and New Hampshire.

Becket's group homes in New Hampshire are operated through Next Steps Community Services, LLC ("Next Steps"). Becket is the sole member of Next Steps and it is considered a "disregarded" entity for federal tax purposes. In addition to the services noted above, Becket provides adult foster care (also called Shared Living) in several states, including South Carolina, Rhode Island, New Hampshire, Massachusetts and Maine. Children's foster care services are also provided in New Hampshire and Florida.

MVTC is a not-for-profit corporation incorporated under provisions of the laws of the State of Maine. MVTC is currently governed by a Board of Trustees that substantially overlaps the Becket Board of Trustees. MVTC provides residential treatment for adolescents struggling with anxiety disorders at a location in Plainfield, New Hampshire.

Mount Prospect Academy, Inc. (MPA) is a not-for-profit corporation incorporated under provisions of the General Statutes of the State of New Hampshire. MPA has a self-perpetuating Board of Trustees completely separate from the Board which governs Becket. MPA is licensed by the State of New Hampshire and operates special education schools in Keene, Plymouth and Hampton, New Hampshire with several affiliated group homes in Haverhill, Rumney, Warren, Plymouth, Hampton and Campton, New Hampshire. MPA also provides comprehensive in-home and community support services to families in New Hampshire and northeastern Massachusetts under the name Project Connect and Solid Foundations.

Vermont Permanency Initiative, Inc. (VPI) is a not-for-profit corporation incorporated under provisions of the General Statutes of the State of Vermont. VPI operates the New England School for Girls and Vermont School for Girls, a residential treatment program for girls operated in Bennington, Vermont. VPI also offers community based support to youth and families in Vermont under the trade name Vermont Support & Stabilization. VPI has a self-perpetuating Board of Trustees that is completely separate from the Board which governs Becket, MPA and MVTC.

U.S. generally accepted accounting principles (U.S. GAAP) require consolidation of related organizations when common control and economic dependency exists. At June 30, 2021, common control exists between Becket and MVTC, and between MPA and VPI; however, common control did not exist across all entities. Despite the division of control among these various entities, economic dependency remains. As such, consolidation of all entities in 2021 is allowed, but not required, and elected by management

## BECKET ACADEMY, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021

#### 1. Summary of Significant Accounting Policies

##### Principles of Consolidation

The consolidated financial statements include the activity of Becket, Next Steps, MPA, MVTC and VPI. All material intercompany transactions and balances have been eliminated in consolidation.

##### Basis of Presentation

The accompanying consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. The Organization reports its activities and net assets in two classes: net assets without donor restrictions and net assets with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of temporary restrictions on net assets (that is, situations in which the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization had no net assets with donor restrictions as of June 30, 2021.

##### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### Cash and Cash Equivalents

All highly liquid investments without donor restrictions and with an original maturity of three months or less are considered to be cash equivalents.

The Organization maintains its cash and certificates of deposit in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant risk with respect to these accounts.

##### Tuition and Fees Receivable

Tuition and fees receivable are stated at the amount the Organization expects to collect from outstanding balances, net of financial assistance discounts of \$185,628 in 2021. As of June 30, 2021 and 2020, the Organization had \$11,306,219 and \$13,102,060, respectively, of tuition and fees receivable, net.

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

The Organization provides for probable uncollectible amounts through a charge to current-year earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**Property and Equipment**

Property and equipment are stated at cost or, if donated, at the fair market value at the date of donation. Expenditures for repairs and maintenance are expensed when incurred, and betterments and assets purchased in excess of \$1,000 are considered for capitalization.

Depreciation of property and equipment is charged against operations using the straight-line method over the estimated useful lives of these assets, as follows:

	<u>Years</u>
Land improvements	7 - 10
Buildings and building improvements	7 - 30
Leasehold improvements	5 - 25
Vehicles and equipment	3 - 5
Furniture and fixtures	2 - 15

When assets are sold or disposed of, the related cost and accumulated depreciation and amortization are removed from the respective accounts, and any resulting gain or loss is included in the consolidated statement of activities.

Construction-in-progress is made up of leasehold improvements which are not placed in service as of June 30, 2021. There are no significant commitments as of June 30, 2021.

**Replacement Reserves**

Becket has a mortgage note payable to Maine State Housing Authority (MSHA). This mortgage note requires Becket to maintain a replacement reserve fund in a separate account for the purpose of providing a cash reserve for future property replacement needs. This restricted amount is classified as "replacement reserves" in the consolidated statement of financial position and is generally not available for routine operating expenses.

**Deferred Costs**

Certain costs related to long-term debt, such as accountants, attorneys and underwriting fees, are capitalized and amortized on a straight-line basis over the lives of the respective debt issues. As of June 30, 2021, the Organization had \$331,823 in unamortized deferred costs presented as a direct deduction from the carrying amount of the related long-term debt. In addition, the amortization of the unamortized deferred costs is included with interest expense.

## BECKET ACADEMY, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2021

#### Tuition, Fees and Other Changes in Net Assets

During the year ended June 30, 2021 the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and related ASUs which provide guidance for revenue recognition that superseded the revenue recognition requirements in Accounting Standards Codification Topic 605, *Revenue Recognition*, and most industry specific guidance. The Organization's adoption of the ASU did not have an impact on the Organization's revenue recognition policies or application thereof, which are as follows:

Tuition, fees and other support are recorded as increases in net assets without donor restrictions at the time the services are provided. Tuition revenue is billed monthly based on monthly attendance and is due within 30 days. In some circumstances, tuition revenues are received prior to the school year and are recorded as a current liability under prepaid tuition.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of temporary restrictions, if any, on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

Additionally, the Organization has contractual arrangements with the Maine Department of Health and Human Services (DHHS) to render services to qualifying residents under certain cost-based and fee-for-service reimbursement programs which may result in the Organization receiving payments for such services which differ from the standard charges. The Organization records its revenue at the net amount expected to be paid by DHHS based upon established rates at the time the service is provided.

#### Income Taxes

The entities comprising the Organization are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code), whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax.

#### Allocation of Costs

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated proportionally based on payroll among the programs and supporting services benefited.

#### Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense totaled \$492,882 in 2021.

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements**

June 30, 2021

**2. Availability and Liquidity of Financial Assets**

As of June 30, 2021, the Organization had working capital of \$29,127,850 and average days (based on normal expenditures) cash and cash equivalents on hand of 107.

Financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and scheduled principal payments on debt, were as follows as of June 30:

Cash and cash equivalents	\$28,564,495
Tuition and fees receivable, net	<u>11,306,219</u>
Financial assets available at year end for current use	<u>\$39,870,714</u>

The Organization also has lines of credit available to meet short-term needs. See Note 4 for information about these arrangements.

The goal for the Organization is to maintain a balanced budget while meeting the requirements of the various financing authorities.

**3. Significant Concentrations**

Approximately 19% of the revenue recorded during 2021 was from beneficiaries of the New Hampshire Medicaid program.

Approximately 22% of the revenue recorded during 2021 was from the Vermont Department of Education and various school districts located in Maine, New Hampshire, Vermont, Massachusetts, New York and Connecticut.

Approximately 15% of the revenue recorded during 2021 was from the Massachusetts Department of Mental Health and Developmental Services.

Approximately 14% of the revenue recorded during 2021 was from beneficiaries of the Maine Medicaid (MaineCare) program. Under all but one Becket program that is cost reimbursed, but currently has no MaineCare residents, the Organization is reimbursed for the care of qualified residents at specified fee for service rates during the year. The rates are established by the MaineCare program and the programs must still follow the Principles of Reimbursement (the Principles) governing the respective programs.

Due to the concentration of clients who receive benefits from the various state Medicaid reimbursement programs, the Organization is highly dependent upon regulatory authorities establishing reimbursement rates that are adequate to sustain the Organization's operations.

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021****4. Lines of Credit**

Becket holds a line of credit agreement with Berkshire Bank under which Berkshire Bank agrees to advance up to \$250,000 to Becket upon request. Monies advanced accrue interest at the rate of *The Wall Street Journal's* prime rate plus 0.5% (3.75% as of June 30, 2020). The line of credit is collateralized by a security interest in all assets of Becket. The Organization had no outstanding balance on the line of credit at June 30, 2021.

VPI holds a line of credit agreement with Passumpsic Savings Bank under which Passumpsic Savings Bank agrees to advance up to \$250,000 to VPI upon request. Monies advanced accrue interest at the rate of 5%. The Organization had no outstanding balance on the line of credit at June 30, 2021. The line of credit is collateralized by various real estate in Bennington and Newbury, Vermont.

**5. Long-Term Debt**

Long-term debt consists of the following:

**Becket Academy, Inc.**

Note payable to TD Bank, due in monthly installments of \$1,692, including interest at 5.48%, through December 2030; collateralized by real estate in Conway, New Hampshire.	\$ 228,237
Note payable to MSHA, due in monthly installments of \$2,661, including interest at 7.0%, through April 2032; collateralized by land, buildings and equipment in Litchfield, Maine.	235,421
Note payable to MSHA, due in monthly installments of \$1,830, including interest at 7.0%, through October 2029; collateralized by real estate in Lewiston, Maine.	139,005
Note payable to MSHA, due in monthly installments of \$1,830, including interest at 5.5%, through December 2030; collateralized by real estate in Lewiston, Maine.	68,803
Note payable to Berkshire Bank, due in monthly installments of \$36,336, including interest at LIBOR plus 2.50% (2.67% at June 30, 2020), through July 2025, at which time the remaining balance is due in full; collateralized by real estate in New Hampshire, Maine, and Massachusetts.	5,584,533
Note payable to Berkshire Bank, due in monthly installments of \$6,477, including interest at the adjusted LIBOR rate plus 2.50% (2.67% as of June 30, 2020), through January 2025, at which time the remaining balance is due in full; collateralized by real estate in New Hampshire, Maine, and Massachusetts.	881,005



**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Capital lease, due in monthly installments of \$3,805, including interest at 5.0%, through June 2037.	505,000
Construction note payable to Berkshire Bank, advance of up to \$2,000,000 upon request, monthly interest only payments through December 2018 at <i>The Wall Street Journal's</i> prime rate plus 0.5%, principal and interest payments commenced on January 2019, including interest at the adjusted LIBOR rate plus 2.5% (2.67% as of June 30, 2020), through January 2025, at which time the remaining balance is due in full; collateralized by real estate in New Hampshire, Maine and Massachusetts.	1,821,886
Various vehicle notes payable to financial institutions, due in monthly installments, including interest, ranging from \$382 to \$868, totaling \$20,566. Interest rates range from 0% to 9.50%. Maturities range from July 2021 through July 2025. The notes are collateralized by vehicles.	<u>301,922</u>
Total Becket Academy, Inc.	<u>9,765,812</u>
<b>Mount Prospect Academy, Inc.</b>	
Note payable to Passumpsic Savings Bank, due in monthly installments of \$6,737, including interest at 4.25%, through February 2024 at which point monthly payments will increase to \$7,300, including interest at <i>The Wall Street Journal's</i> prime rate plus 1% (4.25% at June 30, 2021), through February 2039, at which time the remaining balance is due in full; collateralized by real estate in Campton, Rumney, and Plymouth, New Hampshire.	925,004
Note payable to Passumpsic Savings Bank, due in monthly installments of \$8,374, including interest at 4.25%, through February 2024 at which point monthly payments will increase to \$9,074, including interest at <i>The Wall Street Journal's</i> prime rate plus 1% (4.25% at June 30, 2021), through February 2039, at which time the remaining balance is due in full; collateralized by real estate in Campton, Rumney, and Plymouth, New Hampshire.	1,149,689
Note payable to Passumpsic Savings Bank, due in monthly installments of \$9,574, including interest at 4.25%, through February 2024 at which point monthly payments will increase to \$10,374, including interest at <i>The Wall Street Journal's</i> prime rate plus 1% (4.25% at June 30, 2021), through February 2039, at which time the remaining balance is due in full; collateralized by real estate in Campton, Rumney, and Plymouth, New Hampshire.	1,314,439

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Note payable to Passumpsic Savings Bank, due in monthly installments of \$2,220 beginning February 1, 2020 with an interest rate of 4.875% through February 2025 at which point interest will be based at *The Wall Street Journal's* prime rate plus 1%, through January 1, 2040, when the remaining balance is due in full. The note is collateralized by all business assets associated with the Rumney, New Hampshire program.

323,894

Note payable to Passumpsic Savings Bank, due in monthly installments of \$1,646 beginning February 1, 2020 with an interest rate of 4.875% through February 2025 at which point monthly payments will increase to \$1,742 at an interest rate at *The Wall Street Journal's* prime rate plus 1%, through January 1, 2040 when the remaining balance is due in full. The note is collateralized by all business assets associated with the Warren, New Hampshire program.

240,040

Note payable to Passumpsic Savings Bank, due in monthly installments of \$4,359 beginning February 1, 2021 with an interest rate of 3.99% through February 2026 at which point monthly payments will increase to \$4,663 at an interest rate at *The Wall Street Journal's* prime rate plus 1%, through January 1, 2041 when the remaining balance is due in full. The note is collateralized by all business assets associated with the Plymouth, New Hampshire program.

707,996

Various vehicle and equipment notes payable to financial institutions, payable in monthly installments, including interest, ranging from \$298 to \$753, totaling \$23,726. Interest rates range from 0% to 7.99%. Maturities range from July 2021 through May 2027. The notes are collateralized by vehicles and equipment.

569,328

Total Mount Prospect Academy, Inc.

5,230,390**Mountain Valley Treatment Center**

Various vehicle and equipment notes payable to financial institutions, payable in monthly installments, including interest, ranging from \$369 to \$766, totaling \$6,140. Interest rates range from 0% to 5.74%. Maturities range from July 2021 through August 2024. The notes are collateralized by vehicles and equipment.

57,084**Vermont Permanency Initiative, Inc.**

Construction note payable to Passumpsic Savings Bank, advance of up to \$1,905,000, due in monthly installments of \$12,572, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.

1,687,996

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Note payable to Passumpsic Savings Bank, due in monthly installments of \$6,001, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	817,686
Construction note payable to Passumpsic Savings Bank, advance of up to \$540,000, due in monthly installments of \$3,564, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	110,286
Note payable to Passumpsic Savings Bank, due in monthly installments of \$2,203, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	300,116
Note payable to Passumpsic Savings Bank, due in monthly installments of \$659, including interest at 4.99%, through May 2038, at which time the remaining balance is due in full; collateralized by various real estate in Bennington and Newbury, Vermont.	89,855
Various vehicle and equipment notes payable to financial institutions, payable in monthly installments, including interest, ranging from \$303 to \$733, totaling \$18,978. Interest rates range from 0% to 6.39%. Maturities range from November 2020 through June 2025. The notes are collateralized by vehicles and equipment.	<u>226,088</u>
Total Vermont Permanency Initiative, Inc.	<u>3,232,027</u>
	18,285,313
Less: Current portion	1,166,717
Unamortized deferred costs	<u>331,823</u>
Long-term debt, net of current portion and unamortized deferred costs	<u>\$ 16,786,773</u>
Maturities of long-term debt are as follows:	
2022	\$ 1,166,717
2023	1,096,000
2024	902,000
2025	2,289,000
2026	6,009,000
Thereafter	<u>6,822,596</u>
	<u>\$ 18,285,313</u>

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Interest expense charged to operations, including amortization of deferred costs of \$20,847, was \$972,462 in 2021. Cash paid for interest approximates interest expense.

**6. Commitments and Contingencies****Operating Leases**

The Organization leases facilities from various parties, including related parties. All related party leases are at or below fair market value as determined by independent licensed appraisers. Certain facilities used for the operations of the Organization are owned and maintained by entities, trusts or individuals related to senior management of the Organization. Total rent for all leases was \$1,293,132 in 2021. Total rent paid to related parties was \$277,000 in 2021.

Future minimum lease payments for all non-cancelable leases having a lease term in excess of one year are as follows:

2022	\$ 304,366
2023	179,259
2024	123,570
2025	97,048
2026	<u>58,152</u>
Total	<u>\$ 762,395</u>

**Self-Insurance**

The Organization has a self-insured healthcare plan for substantially all of its employees. The Organization has obtained reinsurance coverage to limit its exposure associated with this plan individually of \$125,000 with an aggregate limit of \$7,635,858 of the expected claims. At June 30, 2021, the Organization has accrued \$932,012 under the self-insurance contract, for estimated unpaid claims, which is reported in the Organization's accrued expenses in the consolidated statement of financial position.

**Litigation**

The Organization is currently involved in other known litigation matters arising in the normal course of business. After consultation with legal counsel, management estimates these litigation matters, to be resolved without a material adverse effect on the Organization's future positions or results of operations.

**7. Defined Contribution Retirement Plans**

The Organization provides defined contribution retirement plans for eligible employees. All employees aged 21 or older may begin participation in the plans. Years of service requirements range from one to two years depending on the entity. Plan contributions by participants and the Organization range from three percent to 5% of regular salary.

**BECKET ACADEMY, INC. AND AFFILIATES****Notes to Consolidated Financial Statements****June 30, 2021**

Employer contributions to the plans were as follows in 2021:

Becket	\$	354,705
MPA		326,869
MVTC		39,770
VPI		<u>132,268</u>
Total	\$	<u>853,612</u>

**8. Service Provider Tax**

The Maine Legislature enacted legislation that repealed the sales tax on certain kinds of services and replaced it with a new Service Provider Tax (SPT). This law imposes a 6% SPT on the "value" (i.e., sales price) of certain services provided in the State, including Private Non-Medical Institutions services and certain clinical and outpatient services. Providers are taxed based on all revenue, regardless of source, received for the purpose of providing food, shelter and treatment. MaineCare is then reimbursing facilities for their portion of the tax by increasing their direct care per diem rate. The portion of the tax paid on revenue generated from private pay residents will not be funded by MaineCare.

Total SPT expense was \$506,956 in 2021.

**9. Functional Expenses**

The costs of providing the programs are summarized on a functional basis as follows for the year ended June 30, 2021:

	<u>Education and Home Life</u>	<u>General Administration</u>	<u>Total</u>
Salaries and wages	\$ 47,010,306	\$ 9,463,322	\$ 56,473,628
Employee benefits	6,888,469	1,479,273	8,367,742
Payroll taxes	4,053,906	815,945	4,869,851
Transportation and travel	837,924	170,357	1,008,281
Professional services	1,424,429	444,853	1,869,282
Provider stipends	7,964,723	-	7,964,723
Supplies	4,033,537	1,059,088	5,092,625
Utilities	1,230,948	374,676	1,605,624
Depreciation	2,498,035	711,515	3,209,550
Interest	744,234	228,228	972,462
Insurance	758,826	233,986	992,812
Rental and repairs expense	2,323,315	824,732	3,148,047
Other	<u>4,313,877</u>	<u>1,168,230</u>	<u>5,482,107</u>
Total	\$ <u>84,082,529</u>	\$ <u>16,974,205</u>	\$ <u>101,056,734</u>

**BECKET ACADEMY, INC. AND AFFILIATES**

**Notes to Consolidated Financial Statements**

**June 30, 2021**

**10. Surplus Revenue Retention**

The Organization is allowed to retain a portion of any surplus generated by its contracts with the Commonwealth of Massachusetts. During 2016, the Commonwealth of Massachusetts Operational Services Division amended the surplus revenue retention by eliminating the 20% cumulative limits on surplus revenue retention and increasing the annual surplus limit from 5% of current-year contract revenue to 20%. As of June 30, 2021, as a result of the amendment, the Organization did not identify a contingent liability based on the 20% contractor annual surplus revenue retention criteria.

**11. COVID-19**

On March 11, 2020, the World Health Organization declared coronavirus disease (COVID-19) a global pandemic. Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement. The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 provides several relief measures to allow flexibility to providers to deliver critical care. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

The U.S. government has responded with several phases of relief legislation as a response to the COVID-19 outbreak. Legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a statute to address the economic impact of the COVID-19 outbreak.

During 2020, the Organization obtained \$6,180,833 under the CARES Act Paycheck Protection Program (PPP). The PPP has specific criteria for eligibility and provides for forgiveness of the funds under this program if the Organization meets certain requirements. During 2021, the Organization received notice from the Small Business Administration (SBA) that full amount of the PPP funds received during 2020 were forgiven. The revenue is included in CARES Act Funding in the statement of activities during the year ended June 30, 2021. The SBA will have the right to audit the Organization's compliance with the PPP for a period of up to six years. Management believes full compliance was met. If any portion of the proceeds received is not forgiven through an SBA audit, it is to be repaid, including interest at 1% and that change in estimate will be accounted for at that time.

During 2021, the Organization obtained an additional \$678,697 under the PPP. Any portion of the funds that are not forgiven is to be repaid within 2 years at a 1% interest rate. As of June 30, 2021, the Organization is reporting the PPP funds as COVID funding advances in the consolidated statement of financial position.

**BECKET ACADEMY, INC. AND AFFILIATES**

**Notes to Consolidated Financial Statements**

**June 30, 2021**

During 2020, the Organization obtained \$1,650,000 under the CARES Act EIDL program. During 2021, the Organization paid back all funds received.

The Organization has received emergency grant funding under the CARES Act from the Centers for Medicare & Medicaid Services and passed through States and Area Agencies totaling \$1,481,403 to offset COVID-related cost. The revenue is included in Cares Act Funding in the consolidated statement of activities during the year ended June 30, 2021.

The Organization has also received emergency grant funding under the CARES Act from the DHHS totaling \$852,715 to offset COVID-related cost. The revenue is included in Cares Act Funding in the consolidated statement of activities during the year ended June 30, 2021.

The Organization has also received emergency grant funding under the CARES Act and other COVID-19 funding from various states in which the Organization operates totaling \$1,583,024 to offset COVID-related cost. The revenue is included in Cares Act Funding in the consolidated statement of activities during the year ended June 30, 2021.

While management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

**12. Subsequent Events**

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, management has considered transactions or events occurring through November 30, 2021, which is the date that the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**



**BECKET ACADEMY, INC. AND AFFILIATES**  
**Consolidating Statement of Financial Position**

June 30, 2021

**ASSETS**

	<u>Becket Academy, Inc.</u>	<u>Mount Prospect Academy, Inc.</u>	<u>Next Steps Community Services</u>	<u>Mountain Valley Treatment Center</u>	<u>Vermont Permanency Initiative</u>	<u>Intercompany Eliminations</u>	<u>Consolidated Total</u>
<b>Current assets</b>							
Cash and cash equivalents	\$ 11,114,132	\$ 9,694,655	\$ 229,478	\$ 3,698,661	\$ 3,827,569	\$ -	\$ 28,564,495
Tuition and fees receivable, net	4,390,029	4,854,637	546,227	-	1,783,384	(68,058)	11,306,219
Current portion of note receivable	202,481	-	-	-	-	(202,481)	-
Prepaid expenses	<u>244,554</u>	<u>129,035</u>	<u>14,003</u>	<u>31,384</u>	<u>51,018</u>	<u>-</u>	<u>469,994</u>
<b>Total current assets</b>	<u>15,951,196</u>	<u>14,478,327</u>	<u>789,708</u>	<u>3,730,045</u>	<u>5,661,971</u>	<u>(270,539)</u>	<u>40,340,708</u>
<b>Property and equipment</b>							
Land and land improvements	2,144,376	1,687,857	57,574	178,681	1,040,951	-	5,109,439
Buildings and building improvements	14,332,232	10,529,812	324,428	318,539	5,484,130	-	30,989,141
Leasehold improvements	918,837	2,404,305	18,905	-	36,610	-	3,378,657
Vehicles and equipment	1,526,394	1,914,940	367,409	480,589	1,079,464	-	5,368,796
Furniture and fixtures	1,324,922	758,335	50,961	216,261	140,262	-	2,490,741
Construction-in-progress	<u>190,775</u>	<u>169,352</u>	<u>-</u>	<u>6,756</u>	<u>108,929</u>	<u>-</u>	<u>475,812</u>
	20,437,536	17,464,601	819,277	1,200,826	7,890,346	-	47,812,586
Less accumulated depreciation	<u>5,909,825</u>	<u>6,911,877</u>	<u>452,139</u>	<u>654,986</u>	<u>2,397,617</u>	<u>-</u>	<u>16,326,444</u>
<b>Property and equipment, net</b>	<u>14,527,711</u>	<u>10,552,724</u>	<u>367,138</u>	<u>545,840</u>	<u>5,492,729</u>	<u>-</u>	<u>31,486,142</u>
<b>Other assets</b>							
Other long-term asset	365,732	-	-	-	-	-	365,732
Replacement reserves	6,829	-	-	-	-	-	6,829
Note receivable, net of current portion	871,522	-	-	-	-	(871,522)	-
Due from related parties	<u>2,062,364</u>	<u>-</u>	<u>-</u>	<u>72,748</u>	<u>-</u>	<u>(2,135,112)</u>	<u>-</u>
<b>Total other assets</b>	<u>3,306,447</u>	<u>-</u>	<u>-</u>	<u>72,748</u>	<u>-</u>	<u>(3,006,634)</u>	<u>372,561</u>
<b>Total assets</b>	<u>\$ 33,785,354</u>	<u>\$ 25,031,051</u>	<u>\$ 1,156,846</u>	<u>\$ 4,348,633</u>	<u>\$ 11,154,700</u>	<u>\$ (3,277,173)</u>	<u>\$ 72,199,411</u>

## BECKET ACADEMY, INC. AND AFFILIATES

## Consolidating Statement of Financial Position (Concluded)

June 30, 2021

## LIABILITIES AND NET ASSETS

	Becket Academy, Inc.	Mount Prospect Academy, Inc.	Next Steps Community Services	Mountain Valley Treatment Center	Vermont Permanency Initiative	Intercompany Eliminations	Consolidated Total
<b>Current liabilities</b>							
Current portion of long-term debt	\$ 485,000	\$ 382,000	\$ 138,198	\$ 95,000	\$ 291,000	\$ (202,481)	\$ 1,166,717
Accounts payable	950,023	352,440	31,112	64,419	192,042	(68,058)	1,521,978
Accrued expenses	2,942,586	3,126,225	-	339,329	1,137,920	-	7,546,060
Prepaid tuition	-	-	-	299,406	-	-	299,406
Refundable advances	-	-	-	678,697	-	-	678,697
<b>Total current liabilities</b>	<b>4,377,609</b>	<b>3,840,665</b>	<b>167,310</b>	<b>1,476,851</b>	<b>1,620,962</b>	<b>(270,539)</b>	<b>11,212,858</b>
<b>Long-term liabilities</b>							
Long-term debt, net of current portion and unamortized deferred costs	9,110,747	4,783,989	220,209	676,185	2,867,165	(871,522)	16,786,773
Due to related parties	-	1,267,610	608,904	-	258,598	(2,135,112)	-
<b>Total long-term liabilities</b>	<b>9,110,747</b>	<b>6,051,599</b>	<b>829,113</b>	<b>676,185</b>	<b>3,125,763</b>	<b>(3,006,634)</b>	<b>16,786,773</b>
<b>Total liabilities</b>	<b>13,488,356</b>	<b>9,892,264</b>	<b>996,423</b>	<b>2,153,036</b>	<b>4,746,725</b>	<b>(3,277,173)</b>	<b>27,999,631</b>
<b>Net assets without donor restrictions</b>	<b>20,296,998</b>	<b>15,138,787</b>	<b>160,423</b>	<b>2,195,597</b>	<b>6,407,975</b>	<b>-</b>	<b>44,199,780</b>
<b>Total liabilities and net assets</b>	<b>\$ 33,785,354</b>	<b>\$ 25,031,051</b>	<b>\$ 1,156,846</b>	<b>\$ 4,348,633</b>	<b>\$ 11,154,700</b>	<b>\$ (3,277,173)</b>	<b>\$ 72,199,411</b>

## BECKET ACADEMY, INC. AND AFFILIATES

## Consolidating Statement of Activities

Year Ended June 30, 2021

	Becket Academy, Inc.	Mount Prospect Academy, Inc.	Next Steps Community Services	Mountain Valley Treatment Center	Vermont Permanency Initiative	Intercompany Eliminations	Consolidated Total
Changes in net assets without donor restrictions							
Revenue and support							
Tuition, fees and other support, net	\$ 47,046,359	\$ 35,807,506	\$ 3,194,672	\$ 5,694,167	\$ 13,978,207	\$ -	\$ 105,720,911
State nutrition program	25,964	129,192	-	-	-	-	155,158
Management fees	1,755,324	-	-	-	-	(1,755,324)	-
Contributions	1,000	97,491	-	177,777	6	-	276,274
Cares Act Funding	2,032,658	5,222,469	-	597,200	2,245,648	-	10,097,975
Other revenue	689,041	269,666	-	54,350	84,390	(355,799)	741,648
Total revenue and support	<u>51,550,346</u>	<u>41,526,324</u>	<u>3,194,672</u>	<u>6,523,494</u>	<u>16,308,251</u>	<u>(2,111,123)</u>	<u>116,991,984</u>
Expenses							
Program expenses							
Education and home life	41,334,251	26,770,276	2,442,259	3,328,767	10,562,775	(355,799)	84,082,529
Supporting expenses							
General administration	5,457,223	9,259,136	618,796	1,028,357	2,366,017	(1,755,324)	16,974,205
Total expenses	<u>46,791,474</u>	<u>36,029,412</u>	<u>3,061,055</u>	<u>4,357,124</u>	<u>12,928,792</u>	<u>(2,111,123)</u>	<u>101,056,734</u>
Non-operating (expense) revenue							
Forgiveness of intercompany debt	(750,000)	750,000	-	-	-	-	-
Net assets transfer to affiliated organization	(26,806)	208,937	26,806	(208,937)	-	-	-
Net non-operating (expense) revenue	<u>(776,806)</u>	<u>958,937</u>	<u>26,806</u>	<u>(208,937)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	3,982,066	6,455,849	160,423	1,957,433	3,379,459	-	15,935,230
Net assets, beginning of year	<u>16,314,932</u>	<u>8,682,938</u>	<u>-</u>	<u>238,164</u>	<u>3,028,516</u>	<u>-</u>	<u>28,264,550</u>
Net assets, end of year	<u>\$ 20,296,998</u>	<u>\$ 15,138,787</u>	<u>\$ 160,423</u>	<u>\$ 2,195,597</u>	<u>\$ 6,407,975</u>	<u>\$ -</u>	<u>\$ 44,199,780</u>

**BECKET ACADEMY, INC. AND AFFILIATES**  
**Consolidating Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	Education and Home Life						General Administration						Total Supporting Expenses	Total Expenses	
	Becket Academy, Inc.	Mount Prospect Academy, Inc.	Next Steps Community Services	Mountain Valley Treatment Center	Vermont Permanency Initiative	Intercompany Eliminations	Total Program Expenses	Becket Academy, Inc.	Mount Prospect Academy, Inc.	Next Steps Community Services	Mountain Valley Treatment Center	Vermont Permanency Initiative			Intercompany Eliminations
Salaries and wages	\$ 21,025,534	\$ 18,235,257	\$ 1,482,456	\$ 1,877,857	\$ 6,578,082	\$ -	\$ 47,010,308	\$ 2,347,488	\$ 5,098,588	\$ 258,890	\$ 408,845	\$ 1,348,501	\$ -	\$ 9,463,322	\$ 58,473,630
Employee benefits	2,596,994	2,817,059	208,328	181,107	1,078,981	-	6,880,469	291,278	854,858	35,791	48,888	220,780	-	1,478,273	8,358,742
Payroll taxes	1,844,845	1,428,704	139,542	125,624	818,291	-	4,059,809	208,899	449,137	24,032	30,611	109,470	-	815,545	4,875,351
<b>Total personnel costs</b>	<b>25,468,273</b>	<b>20,478,030</b>	<b>1,830,326</b>	<b>1,984,588</b>	<b>8,175,454</b>	<b>-</b>	<b>57,952,691</b>	<b>2,845,681</b>	<b>6,432,681</b>	<b>318,713</b>	<b>488,024</b>	<b>1,678,551</b>	<b>-</b>	<b>11,758,540</b>	<b>69,711,221</b>
Advertising	81,907	108,822	8,915	183,038	22,189	-	394,011	28,855	34,537	1,200	38,728	4,851	-	108,971	482,882
Athletic transport and recreation	20,722	203,878	2,843	28,784	35,638	-	288,846	-	-	-	-	-	-	-	288,846
Auto repairs and leasing	274,842	187,171	18,557	15,450	63,681	(78,289)	487,382	86,857	58,782	2,898	3,765	10,880	-	173,080	640,475
Bad debts, net of recoveries	178,685	140,000	-	28,148	-	-	343,733	-	-	-	-	-	-	-	343,733
Consultation	81,817	82,697	-	50,450	-	-	240,627	32,775	28,039	-	12,293	3,211	-	73,818	314,445
Contracted labor	8,774	-	-	-	-	-	8,774	-	-	-	-	-	-	-	8,774
Dues and subscriptions	7,714	8,011	-	730	1,251	-	15,706	2,718	1,888	-	178	258	-	5,040	20,746
Equipment rental and maintenance	117,543	88,898	8,553	28,248	21,553	-	258,891	41,408	27,328	1,137	8,395	4,418	-	80,894	338,675
Facilities rental expense	621,181	389,193	88,490	148,557	30,719	(278,500)	1,012,640	218,832	122,248	17,065	36,443	6,297	-	400,905	1,413,645
Fees	2,254	2,853	91	4,082	-	-	9,280	-	-	-	-	-	-	-	9,280
Supplies	473,827	685,101	67,184	82,778	482,878	-	1,791,548	188,821	215,185	9,916	22,607	98,948	-	613,867	2,305,133
Heating fuel	188,807	86,738	28,026	13,431	64,388	-	378,185	65,738	30,071	4,514	3,273	11,151	-	114,748	490,843
Home life supplies	147,655	178,120	32,657	18,112	38,898	-	414,942	81,891	55,948	5,847	4,413	7,912	-	125,902	640,844
Infirmity supplies	103,850	86,363	1,701	8,878	31,368	-	232,258	-	-	-	-	-	-	-	232,258
Insurance	364,897	218,786	28,184	48,718	89,281	-	738,826	128,547	68,085	4,891	12,115	20,348	-	233,886	982,812
Interest	370,282	180,381	18,588	22,811	144,381	-	744,234	130,444	59,800	2,874	8,510	28,800	-	228,228	972,462
Management fees	-	-	-	-	-	-	-	-	1,082,988	187,072	238,486	228,758	(1,755,324)	-	-
Materials and supplies	24,345	25,821	295	1,541	5,387	-	57,389	8,578	9,111	81	575	1,100	-	18,213	75,882
Office supplies	488,843	553,788	33,223	111,360	148,544	-	1,311,868	184,488	173,851	5,783	27,135	30,041	-	401,286	1,713,254
Other	1,184,388	85,782	37,341	48,943	57,882	-	1,378,274	410,640	28,898	8,478	11,253	8,770	-	481,077	1,836,351
Other occupancy costs	257,108	185,110	38,488	21,218	75,343	-	677,243	80,574	58,144	8,873	5,170	15,445	-	178,008	783,249
Pension contribution	252,301	249,739	-	51,878	108,788	-	652,794	82,404	78,130	7,782	22,502	22,502	-	200,828	853,612
Professional services	785,835	110,919	29,852	185,320	101,882	-	1,174,028	209,828	34,840	6,187	40,284	20,889	-	371,035	1,645,063
Provider stipends	7,864,723	-	-	-	-	-	7,864,723	-	-	-	-	-	-	-	7,864,723
Rental estate taxes	183,808	178,793	17,432	41,870	80,360	-	483,063	57,707	68,474	3,024	10,184	18,474	-	143,833	626,898
Repair and maintenance	123,242	283,302	32,787	57,888	87,885	-	594,402	43,418	88,987	6,884	13,888	17,977	-	170,050	784,452
Student clothing and personal items	22,987	167,770	8,020	1,889	41,739	-	240,485	-	-	-	-	-	-	-	240,485
Student educational supplies	32,305	171,538	638	2,478	18,588	-	225,554	-	-	-	-	-	-	-	225,554
Teacher training and development	84,084	143,572	13,899	7,334	3,339	-	232,338	22,578	45,087	2,428	1,787	694	-	72,575	304,913
Telephone	178,555	144,052	12,023	21,594	81,350	-	438,574	63,254	45,291	2,088	8,282	16,877	-	132,570	671,144
Travel	212,334	258,855	11,586	14,087	41,418	-	528,278	74,802	81,822	2,010	3,433	8,490	-	170,357	708,638
Utilities	154,488	174,388	10,808	15,581	80,938	-	416,179	54,423	84,778	1,875	3,782	12,482	-	127,368	543,637
Depreciation	851,111	895,417	67,814	117,793	495,830	-	2,498,035	284,298	281,298	11,781	29,899	89,493	-	711,313	3,209,830
<b>Total</b>	<b>\$ 41,234,251</b>	<b>\$ 28,770,478</b>	<b>\$ 2,442,258</b>	<b>\$ 3,328,787</b>	<b>\$ 10,892,775</b>	<b>\$ (155,789)</b>	<b>\$ 84,082,528</b>	<b>\$ 4,457,222</b>	<b>\$ 9,258,138</b>	<b>\$ 618,788</b>	<b>\$ 1,028,357</b>	<b>\$ 2,388,017</b>	<b>\$ (1,755,324)</b>	<b>\$ 18,974,202</b>	<b>\$ 101,056,724</b>

**BECKET ACADEMY, INC. AND AFFILIATES****Schedule of Private Non-Medical Institution (PNMI) Revenue and Expenses****Year Ended June 30, 2021**

	<u><b>Vermont School for Girls</b></u>
<b>Revenue</b>	
Vermont Department of Children & Families	\$ 1,944,495
Vermont Department of Mental Health	802,737
Vermont Department of Education	<u>296,311</u>
<b>Total revenue</b>	<u><b>3,043,543</b></u>
<b>Expenses</b>	
Salaries and wages (excluding school salaries)	1,933,571
Employee benefits	484,422
Consulting	15,159
Resident care	24,783
Food service	118,924
Supplies	8,339
Property	175,916
Household	45,977
Client transportation	41,303
General and administrative	180,293
School (including school salaries)	<u>662,311</u>
<b>Total expenses</b>	<u><b>3,690,998</b></u>
<b>Excess of expenses over revenue</b>	<u><u><b>\$ (647,455)</b></u></u>

**VPI Board of Directors**

**Robert Bannon**

[Redacted]  
[Redacted]  
[Redacted]

**Andrew Ribolini**

[Redacted]  
[Redacted]  
[Redacted]

**Amy Egbert**

[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

**Kendall Turner**

[Redacted]  
[Redacted]  
[Redacted]

**Tim Wolff**

[Redacted]  
[Redacted]  
[Redacted]

**Denise Pickering**

[Redacted]  
[Redacted]  
[Redacted]

**Jeffrey Caron, President**

[Redacted]  
[Redacted]  
[Redacted]

**Laurae Baker, Vice President**

[Redacted]  
[Redacted]  
[Redacted]

**Jeffrey Park, Secretary**

[Redacted]  
[Redacted]  
[Redacted]

**Laurae Baker, PhD, NCC, LADC, LCMHC**



**Education**

<b>PhD: Counselor Education</b>	Ohio University	June 2005
<b>Master of Education: Counseling</b>	Ohio University	June 1997
<b>Bachelor of Science: Elementary Education</b>	Ohio University	June 1994

**Brief Employment History**

<b>Vice President</b> <b>Vermont Permanency Initiative</b> Becket Family of Services Orford, NH	April 2019-Current
<b>Executive Director</b> Vermont School for Girls New England School for Girls Becket Family of Services Bennington, Vermont	May 2019-Current
<b>Director of Program Development</b> VPI South Becket Family of Services Bennington, Vermont	April 2017-April 2019
<b>Owner/Therapist /Consultant</b> Arlington Counseling and Wellness, LLC Arlington, Vermont	September 2011-July 2020
<b>Associate Professor</b> Esteves School of Education Sage Graduate School Troy, New York	June 2015-June 2019
<b>Department Chair</b> Professional Education Programs Esteves School of Education Sage Graduate School Troy, New York	May 2016- May 2017.

**Program Director**

September 2007-August 2010  
September 2012-April 2016

Professional School Counseling Program  
Esteves School of Education  
Sage Graduate School  
Troy, New York

**Assistant Professor**

September 2005-May 2015

Esteves School of Education  
Sage Graduate School  
Troy, New York

**Outpatient Clinician**

August 2007 –September 2011

United Counseling Service  
Bennington, Vermont

**Visiting Summer Faculty**

June 2007-June 2010

University of Vermont  
Burlington, Vermont

**Counselor**

September 2003-June 2005

Ohio University  
Athens, Ohio.

Delivered academic, personal, and career counseling services to students in the university setting.

**Teacher/School Counselor**

August 1998- June 2003

Federal Hocking Middle School  
Stewart, Ohio

**Teacher/Counselor**

August 1995- August 1998

Health Recovery Services  
Athens, Ohio

**Scholarship**

***Presentations:***

Coburn, L. *Mindful Self Care for Managing Compassion Fatigue*. Presented at the 2019 Child and Adolescent Complex Trauma Conference in Manchester, Vermont: August 7, 2019.

Coburn, L. *Integrating Mindfulness into Your School Counseling Program*. Presented at the 2016 New York State School Counselor's Conference in Tarrytown New York: November 17,2016.

Coburn, L. *Mindfulness Based Conflict Resolution*. Presented at the 2015 New York State School Counselor's Conference in Lake George New York: November 21,2015.



Coburn, L. *Mindfulness Based Conflict Resolution*. Presented at the 2014 National Social Science Association Conference in San Francisco, California on October 7, 2014.

Coburn, L. *Bringing Mindful Practices to our Schools* presented at the Dawn Lafferty Hochsprung Center for the Promotion of Mental Health and School Safety Spring Summit on May 30, 2014.

Coburn, L. & Gallagher, L. *Yoga in the Schools*. Poster Presentation at the 2014 Inaugural National Yoga in the Schools Symposium at Kripalu Institute in Lenox, Massachusetts on April 24, 2005.

Gallagher, L. & Coburn, L. *Playing with Purpose: Mindful Practices for Children and Caregivers*. Presented at the Vermont Foster and Adoptive Family Association Annual Conference on March 22, 2014.

Coburn, L. *Mindful Self Care for Counselors* presented at the Niskayuna School Counselor Professional Development on February 4, 2014.

Coburn, L., Stahl, M., & Carr, L. *Counselor Self Care: Preventing Burnout through Increasing Mindful Self-Care* Presented at the 2013 New York State Counselors Conference in Syracuse, New York on November 1, 2013.

Coburn, L. *Integrating Service Learning into Counselor Preparation: Learning through Paying it Forward* presented at the 2013 National Social Science Association Conference in New Orleans, Louisiana on October 8, 2013.

Coburn, L. *Stress Management and Self-Care*. Presented at the 2013 Youth Development Conference for New York Liberty Partnerships on March 15, 2013 at SUNY Cobleskill.

Coburn, L. & Gallagher, L. *Integrating Yoga Practices into Psychotherapy for Survivors of Developmental Trauma*. Presented at the Bennington School Clinical Professional Development Training on December 11<sup>th</sup>, 2013 in Bennington, Vermont.

Coburn, L. *Teaching and Learning in the Here and Now*. Presented at the 2012 National Social Science Conference. Albuquerque, New Mexico on October 16, 2012.

Coburn, L. *Yoga and Mindfulness Workshop*. Presented at the 21012 May College at The Sage Colleges on May 15, 2012.

Jarvis, D., Coburn, L, Phillips, K, & Monnat, M. *Your New Best Friends: Building Relationships with your Local Hospital CEO, FQHC Director, and Primary Care Providers*. Presented at the 2011 National Council Mental Health and Addictions Conference in San Diego, California on May 2, 2011.

Noble, D., O'Brien, D, & Coburn, L. *A Model for Local Integration*. Presented at the 2011 Behavioral Health Network of Vermont Annual Conference on February 4, 2011.

Coburn, L. (participant in panel presentation). *Cyber Bullying: Keeping Children Safe*. Albany, New York, December 9, 2010.

Coburn, L. *Creating Outcome Based Rubrics for School Counseling Programs*. Presented at the 2008 North Atlantic Regional Association for Counselor Education and Supervision Conference, Portland,

Maine on September 20, 2008.

Coburn, L & VandeMark, C. *Emotional Intelligence, Anger Management, and Bullying*. Presented at the 2007 New York Marriage and Family Therapists Conference. Troy, New York on May 4, 2007.

Pickering, D & Coburn. *Incorporating Social Justice Principles into Community and School Counselor Preparation Programs*. Presented at the 2007 National Association for Counselor Education and Supervision Conference. Columbus, Ohio on October 11, 2007.

Pickering D, & Coburn, L. *Incorporating Social Justice Principles into Community and School Counselor Preparation Programs*. Presented at the 2006 North Atlantic Regional Association for Counselor Education and Supervision Conference. Lake George, NY

Coburn, L. *Challenging Traditional Models of Grief Counseling: The Role of Individualized Approaches in the Treatment of the Bereaved*. Presented at the 2006 New York Counseling Association Annual Conference. Saratoga Springs, NY on Saturday September 30, 2006.

Pickering D, & Coburn, L. *Incorporating Social Justice into Counseling and School Counseling Preparation and Practice*. Presented at the 2006 Counselor's View of Italy Tour. Regello, Italy on May 25, 2006.

Coburn, L. & Kline, W. *Interactive Group Counseling in the Here and Now*. Presented at the 2004 All Ohio Counselors' Conference. Columbus, OH.

Coburn, L. & Levitt, D. *Challenging Traditional Models of Grief Counseling: The Role of Individualized Approaches in the Treatment of the Bereaved*. Presented at the 2005 American Counseling Association Conference. Atlanta, GA.

Coburn, L. & Pickering, D, & Leinbaugh, T. *Clinical Evaluation and Assessment of Attachment Disorders: From Theory to Treatment*. Presented at the 2005 American Counseling Association Conference. Atlanta, GA.

Coburn, L; Pickering, D. *Partnering with Schools and Community Mental Health Centers in Assessing and Evaluating of Attachment Disorders*. Presented at the 2005 North Central Association for Counselor Education and Supervision Conference. St. Louis, MO.

Levitt, D; Coburn, L. & Miller, H. *Partnerships, Mentorships, and Supervision: Multiple Relationships for Counselor Educators*. Presented at the 2005 North Central Association for Counselor Education and Supervision Conference. St. Louis, MO.

Coburn, L., & Davis, T. *Children of Emotional Abuse: What School Counselors can do to Help*. Presented at the 2003 All Ohio Counselors' Conference. Columbus, OH on November 7, 2003

Coburn, L., & Kline, B. *Qualitative Themes in Supervision Research*. Presented at the 2004 OACES Supervision Summit in Columbus, Ohio on April 23, 2004.

Sebera, K., Pickering, D., Coburn, L., Protivnak, J., & Davis, T. *Promoting Effective Leadership in the Profession of Counseling – Sharing the Vision*. Presented at the 2004 American Counseling

Association Conference. Kansas City, MO on April 3, 2004.

Sebera, K., Pickering, D., Coburn, L., Protivnak, J., & Davis, T. *Leadership in Professional Counseling: A Qualitative Study of National Leaders*. Presented at the 2003 All Ohio Counselors Conference. Columbus, OH on November 7, 2003.

Protivnak, J., Pickering, D., Sebera, K., Coburn, L., & Davis, T. *Contemporary Leadership in Professional Counseling*. Presented at the 2003 North Central Association for Counselor Education and Supervision Conference. Cincinnati, OH on October 16, 2003.

### Publications

Coburn, L (2019). *Restoring Balance Through Mindful Self-Care*. Streetside Conversations. November, 2019.

Coburn, L (2015). *Mindfulness Based Conflict Resolution*. Journal of National Social Science Proceedings, Volume 53.

Coburn, L (2012). *Teaching and Learning in the Here and Now*. Journal of National Social Science Proceedings, Volume 51.

Coburn, L. (2009) Descriptive research. *The Encyclopedia of Counseling*. Erford, B. (ed). The American Counseling Association, Alexandria: VA.

Coburn, L. (2007). An Intern Misperceived. *Critical Incidents in Supervision*, Tyson, L (ed). The American Counseling Association, Alexandria: VA.

### Awards and Grants

2014 New York Academy of Character Education Champion of Character Award

Ohio University Distinguished Graduate Award 2005

Ohio University Non-Dissertation Research Grant Recipient 2005

Melvin J. Witmer Award for Creative Altruism Recipient 2004

### Service

Member of the Vermont Council of Independent Schools

Member of The Sage Colleges Graduate School Curriculum Committee (Fall 2013-June 2017)

Member of the Dawn Lafferty Hochsprung Center for the Promotion of Mental Health and School Safety Advisory Board (Fall 2013- June 2017)

Member of the Sage Colleges Esteves School of Education Field Experience Committee (Spring 2013- June 2017)

Member of the Sage Colleges Faculty Grievance Committee- (2011- June 2017)

Member of The Sage Colleges Faculty Development Committee (2012-to fill Spring temporary vacancy)

Member of The Sage Colleges Esteves School of Education Field Experience Committee (Fall 2012- Spring 2013)

Chair of The Sage Colleges Esteves School of Education Field Experience Committee (Fall 2011- Spring 2012)

Member of The Sage Colleges Esteves School of Education Literacy Faculty Search Committee (2013)

Member of The Sage Colleges Esteves School of Education Special Education Faculty Search Committee (2012)

Member of The Sage Colleges School of Education Dean Search Committee (2009-2010)

Member of the Sage Colleges Faculty Development Committee (2007-2010)

Member of the Sage Colleges Change Agents Group (2007-2009)

Member of the Sage Graduate School Curriculum Committee (2006-2008)

Member of the Sage Graduate School Academic Standards Committee (2006-2008)

Member of the National CACREP Site Visit Team (2005-2008)

Member of the Institutional Review Board of the Sage Colleges (2005-2007)

Member of the American Counseling Association for Counselor Education and Supervision Product Development Committee (2005-2006)

Member of the Board of Directors of the Academy for Character Education (2005-2006)

## LARA SAFFO



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### EXPERIENCE

#### 2019 – PRESENT

##### CHIEF COMPLIANCE OFFICER, BECKET FAMILY OF SERVICES, MOUNT PROSPECT ACADEMY AND THE VERMONT PERMANENCY INITIATIVE

Oversees and manages compliance issues within Mount Prospect Academy and the Vermont Permanency Initiative. Ensures that both MPA and VPI are in compliance with various legal and regulatory requirements and that employees are in adherence with internal procedures and policies. Managed CARF accreditation for both organizations.

#### 2009 – 2019

##### COUNTY ATTORNEY, GRAFTON COUNTY, NEW HAMPSHIRE

As the chief law enforcement official for Grafton County, directed and managed the prosecutorial office responsible for justice on behalf of the citizens of Grafton County. Sought and obtained funding to start new alternative sentencing programs, including mental health court, restorative justice for juveniles, and adult diversion. Successfully sought the expansion of drug court and the creation of an Alternative Sentencing Department in Grafton County. Specialized in domestic violence and sexual assaults, leading initiatives in both areas. Founding member and prosecution representative of Grafton County's Child Advocacy Center, as well as multiple Sexual Assault Resource Teams for over a decade. Expanded victim witness assistance to include misdemeanor level courts.

#### 2004 - 2009

##### ASSISTANT AND DEPUTY COUNTY ATTORNEY, GRAFTON COUNTY, NEW HAMPSHIRE

Initially hired as the Violence Against Woman's Act prosecutor, then promoted to Deputy County Attorney. Responsible for prosecution of felony level crimes and working with over thirty law enforcement agencies on the state and federal level. Networked and collaborated with multiple agencies, including Crisis Support Services.

#### 1999 - 2004

##### ASSOCIATE ATTORNEY, VAN DORN AND CURTISS, PLLC, ORFORD, NEW HAMPSHIRE

An associate attorney in a boutique law firm specializing in personal injury claims ranging from motor vehicle collisions to torts committed by governmental entities. Civilly represented victims of sexual assault.

### EDUCATION

#### MAY 1992

##### J.D., Vanderbilt University School of Law

Nashville, Tennessee

Dean's List, Andrew Ewing finalist

Visiting Semester in Environmental Studies, Vermont Law School

American Jurisprudence Award, Water Law

Volunteer, Teaching legal skills at Tennessee's Maximum Security Prison

**JUNE 1988**

**B.A., Fairfield University**

Fairfield, Connecticut

Major in History, Minor in Latin American Caribbean Studies

Semester abroad in Spain

**1988 – 1989**

**VOLUNTEER, JESUIT VOLUNTEER CORP**

Phoenix, Arizona.

As a member of the Jesuit Volunteer Corp, full time volunteer at the Chrystal Shelter Against Domestic Violence. Also volunteered at Phoenix's homeless shelter, that served over a thousand people in the winter.

## **TEACHING EXPERIENCE**

2011 – present. Adjunct faculty member, Plymouth State University, Plymouth, New Hampshire. Past adjunct faculty member, White Mountains Community College. Taught a variety of criminal justice classes including: Individual and the Law, Introduction to Criminal Justice, Juvenile Justice, Criminal Procedure and Criminal Law.

## **GRANT WRITING EXPERIENCE**

Successfully applied for and received grants totaling over a million dollars for Grafton County, NH. Grants awarded included \$300,000 (three year) grant from the US Department of Justice to start the Grafton County Mental Health Court, \$450,000 (three year) grant to fund a part time adult sexual assault coordinator and two full time roving advocates for two of Grafton County's three advocacy programs. Part of a team that drafted grants to create an adult sexual assault investigator position for New Hampshire's rural counties as well as to obtain funding to start New Hampshire's Human Trafficking Coalition.

## **PROTOCOL DRAFTING EXPERIENCE**

On the team that wrote New Hampshire's Adult Sexual Assault Protocols and the draft Human Trafficking Protocols. Reviewed and presented on New Hampshire's Child Sexual Assault Protocols, Stalking Protocols and Domestic Violence Protocols.

## **AWARDS**

Everyday Hero Award, Grafton County Child Advocacy Center (2018)  
Hall of Fame, NH Coalition Against Domestic and Sexual Violence (2014)  
NAMI New Hampshire's System Change Award (2013)  
Carole Estes Community Leader Award, Cady, Inc. (2012)  
United Way "Live United" Public Sector Leadership Award (2010)  
Annual award: The Grafton County Drug Court (2010)  
NH County Attorney of the Year (2010)

## **ADDITIONAL INFORMATION**

Born and raised on the campus of a boarding school for Justice Involved Youth / Youth in Need of Residential Services (then Becket Academy in Connecticut, precursor to Becket Family of Services in New Hampshire, Maine, Vermont and Massachusetts). Attended this school for five years, from the 4<sup>th</sup>

through the 8<sup>th</sup> grade. Worked in various capacities on campus, including food service, adventure-based education, conference planning, and as an administrative assistant.

**PRESENTATIONS**

Presented on a variety of topics at multiple conferences and New Hampshire's Police Standards and Training Academy.

**LEGISLATION**

Assisting in drafting legislation on multiple topics, including strangulation, human trafficking, child care licensing, mental health courts and veterans courts.

**JOHN T. SEARS**

**PROFESSIONAL PROFILE**

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Skilled financial accounting professional with over thirty years of steady growth. Areas of expertise include leading the complete month-end close process, full balance sheet reconciliation, internal and external financial reporting, budgeting, forecasting, cash management, fixed assets, inventory, years of hands-on experience in many capacities in the hospitality industry.

**PROFESSIONAL EXPERIENCE**

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- MOUNT PROSPECT ACADEMY, Plymouth, NH 1/2017-6/2021  
**CHIEF FINANCIAL OFFICER**
- Manage all aspects of the Business Office for a \$49 million academic and residential non-profit
  - Manage and train team of seven accountants in month-end close, balance sheet reconciliations, payroll, accounts payable, and accounts receivable
  - Collaborate with related company colleagues on management and accounting topics
  - Advise all fellow associates on financial and other matters
  - Development and deployment of SOP's
  - Responsible for compliance in several annual audits
  - Maintain safe, positive, and friendly work environment

- COLWEN HOTELS, Portsmouth, NH 1/2017-6/2021  
**DIRECTOR of HOTEL ACCOUNTING**
- Manage and train team of three direct, two indirect reports who complete month end close/Balance Sheet reconciliation for portfolio of 32 hotels
  - Maintaining budget, and forecast files for portfolio
  - Review financials with General Managers monthly
  - Deliver accurate, timely financial reporting package for 15 hotels monthly
  - Collaborate with CFO in development and deployment of SOP's
  - Manage Transition/Opening accounting checklist
  - Mentor and train accounting staff

- REGIONAL CONTROLLER**
- Manage complete month end close/Balance Sheet reconciliation for portfolio of seven hotels
  - Responsible for training and oversight of property accountants at full-service properties
  - Responsible for accurate, timely full financial reporting to three different ownership groups
  - Member of Advisory Committee, which develops and implements best practices and SOP's
  - Responsible for Cash Management of 19 bank accounts including weekly reconciliation
  - Perform monthly on-site training for hotel management staff
  - File MA and NJ Room Occupancy, Meals & Beverage, Sales & Use, and Services taxes monthly

- PYRAMID HOTEL GROUP LLC, Boston, MA 3/2014-1/2017  
**CENTRALIZED CONTROLLER**
- Manage complete month end close/Balance Sheet reconciliation for four active, three inactive hotels
  - Responsible for accurate, timely full financial reporting to four different ownership companies
  - Responsible for Cash Management, including 26 bank accounts
  - File MA, FL, AZ, HI Room Occupancy, Meals & Beverage, Sales & Use, and Services taxes monthly
  - Perform Task Force assignments – due diligence, property take-over/disposition teams

- CONTROLLER**
- Member of the Executive Committee
  - Manage an accounting staff of three associates for a \$11 Million, 293 room hotel featuring 189 Prime restaurant, Lobby Lounge, Characters Sports Bar, Conference Center, Room Service, and Gift Shop



- Responsible for accurate, timely financial reporting to ownership, including SOI, monthly forecast, and weekly productivity reporting
- Produce annual budget
- File MA Room Occupancy, Meals & Beverage, Sales & Use, and Service taxes monthly

HEI HOTELS & RESORTS, Embassy Suites - Waltham, MA

9/2013-3/2014

**DIRECTOR of FINANCE**

- Member of the Executive Committee
- Manage an accounting staff of three associates for an \$18 Million, 275 room hotel featuring full service
- Restaurant, Bar, and Conference Center, Suite Service, and Gift Shop revenue centers
- Responsible for accurate, timely financial reporting to ownership and management company, including Income Statement, Mid-month Reforecast, Daily Sales Report, and productivity reporting.
- Produce annual budget
- File Massachusetts Room Occupancy, Meals & Beverage, Sales & Use, and Service taxes monthly

WEDGE HOTELS CORPORATION, Wyndham Boston/Chelsea, MA

3/2005-9/2013

**CONTROLLER**

- Member of the Executive Committee
- Managed an accounting staff of three associates for a \$6 Million, full service hotel, restaurant and bar
- Responsible for accurate, timely financial reporting to ownership
- Produce annual budget
- Performed Task Force - due-diligence, property takeover/disposition teams

THE ATKINSON RESORT & COUNTRY CLUB, Atkinson, NH

6/2003-3/2005

**CONTROLLER**

- Member of the Executive Committee, Marketing Committee, and Operations Committee
- Managed an accounting staff of six for a \$15 million Golf resort with Hotel and full F&B
- Responsible for accurate, timely financial reporting to ownership and quarterly audits by CPA firm
- Instituted the company's first budgeting and reconciliation
- Implemented Micros 3700 POS system.

MAST INDUSTRIES, INC., Andover, MA

1/2001-6/2003

**SENIOR FINANCIAL ANALYST – Financial Reporting**

- Produced internal and external consolidated financial reports for \$1.6 billion Company
- Audited and posted financial statements of foreign production offices and joint ventures to the G/L
- Member of Hyperion Enterprise consolidation software implementation team

WEDGE HOTELS CORPORATION, Raddison Hotel, Chelmsford, MA

1992-2001

- **Assistant Controller** (1998-1/2001)
- **Staff Accountant** (1997 – 1998)
- **Accounts Payable Manager/General Cashier** (1994 – 1997)
- **Night Audit Supervisor** (1992 – 1994)

**RECOGNITION**

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ACE Award – Pyramid Hotel Group, LLC Quarter 2, 2014 Best Flow-Thru %.

ACE Award – Pyramid Hotel Group, LLC Quarter 3, 2014 Best Reporting Report Card

“Yes There Is A Way” Award – MAST Industries Quarter 1, 2002. Hyperion database implementation

“Most Valuable Manager” Award 1999 – Radisson Hotel & Suites

**EDUCATION**

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Bachelor of Science in Business Administration

Plymouth State University, Plymouth, NH

Associate of Business Science – Accounting

Hesser College, Nashua, NH

Contractor Name  
Key Personnel

Name	Job Title	Salary Amount Paid from this Contract
Laurae Baker	VP, Executive Director	0
Lara Saffo	Chief Compliance Officer	0
John Sears	CFO	0

## Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth

**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 Webster House		1.4 Contractor Address 135 Webster Street, Manchester, NH 03104	
1.5 Contractor Phone Number 603-622-8013	1.6 Account Number 10-20530000-102-500731	1.7 Completion Date 6/30/2023	1.8 Price Limitation \$1,700,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by: <i>Michelle O'Malley</i> Date: 10/5/2022		1.12 Name and Title of Contractor Signatory Michelle O'Malley CEO	
1.13 State Agency Signature DocuSigned by: <i>Katja S. Fox</i> Date: 10/5/2022		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>John Quinno</i> On: 10/11/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

**2. SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION:** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omissions of the

Contractor Initials

MA

Date 10/5/2022

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**17. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

**18. CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

**19. CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT A**

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**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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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its Plan within five (5) days of notification of non-approval from the Department.

- 1.6. The Contractor must implement the Plan immediately upon notification of Department approval.
- 1.7. Reporting
  - 1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:
    - 1.7.1.1. Youth Served.
    - 1.7.1.2. Workforce, including, but not limited to:
      - 1.7.1.2.1. Total Staffing.
      - 1.7.1.2.2. Resignations.
      - 1.7.1.2.3. Vacant Positions.
      - 1.7.1.2.4. Offers.
  - 1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

## **2. Exhibits Incorporated**

- 2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.
- 2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.
- 2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

## **3. Additional Terms**

### **3.1. Impacts Resulting from Court Orders or Legislative Changes**

- 3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

### **3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

- 3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

- 3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

- 3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.

- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

- 3.3.3.1. Brochures.
- 3.3.3.2. Resource directories.
- 3.3.3.3. Protocols or guidelines.
- 3.3.3.4. Posters.
- 3.3.3.5. Reports.

- 3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

- 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

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

4.1. The Contractor must keep records that include, but are not limited to:

4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

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EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must 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.



New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions:**

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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- I. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business





New Hampshire Department of Health and Human Services

Exhibit D

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving

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pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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Exhibit D

- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid; such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

Department of Health and Human Services

webster House

The State

Name of the Contractor

*Katja S. Fox*

*Michelle O'Malley*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Michelle O'Malley

Name of Authorized Representative

Name of Authorized Representative

Director

CEO

Title of Authorized Representative

Title of Authorized Representative

10/5/2022

10/5/2022

Date

Date

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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Exhibit E

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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## New Hampshire Department of Health and Human Services

## Exhibit E

## DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

## II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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## New Hampshire Department of Health and Human Services

### Exhibit E

## DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

#### A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination, and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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# State of New Hampshire

## Department of State

### CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that WEBSTER HOUSE is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 25, 1897. 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: 68720

Certificate Number: 0005879083



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 4th day of October A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan  
Secretary of State

CERTIFICATE OF AUTHORITY

I, Edward Ithier, 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 Webster House  
(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 June 10, 2021, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

VOTED: That Michelle O'Malley and Blair Stairs (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of Webster House 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: 10/6/22



Signature of Elected Officer  
Name: Edward Ithier  
Title: President BOD Webster House







# **Webster House**

**BUILDING CHILDREN'S FUTURES TOGETHER**

## **Webster House Children's Home Mission Statement:**

To provide a safe, supportive home for children who are unable to live at home primarily for reasons of abuse, neglect or difficulties in the community.

**WEBSTER HOUSE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2021 AND 2020**

**WEBSTER HOUSE  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**MEMBERS OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER FIRM OF AICPA  
PRIVATE COMPANIES  
PRACTICE SECTION**

**INDEPENDENT AUDITOR'S REPORT**

August 17, 2022

To the Board of Directors  
of the Webster House

**Opinion**

We have audited the accompanying financial statements of the Webster House (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Webster House as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Webster House and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**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 the Webster House's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Webster House's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Webster House'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.

*F. G. Briggs, Jr., CPA  
Professional Association*

**WEBSTER HOUSE**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and equivalents	\$ 134,300	\$ 405,979
Accounts receivable	56,250	76,351
Grants receivable	40,000	
Prepaid expenses	10,394	6,148
Endowment assets	7,603,783	6,930,701
Beneficial interests in perpetual trusts	204,498	194,530
Land, building and equipment, net	497,156	536,424
<b>TOTAL ASSETS</b>	<b><u>\$ 8,546,381</u></b>	<b><u>\$ 8,150,133</u></b>

**LIABILITIES AND NET ASSETS**

	<u>2021</u>	<u>2020</u>
<b>Liabilities</b>		
Accrued expenses	\$ 47,752	\$ 34,963
Accounts payable	19,466	9,835
<b>Total Liabilities</b>	<b><u>67,218</u></b>	<b><u>44,798</u></b>
<b>Net Assets</b>		
Net assets without donor restrictions	1,763,963	1,998,484
Net assets with donor restrictions		
Purpose restricted	883,752	810,405
Perpetual in nature	5,831,448	5,296,446
Net assets with donor restrictions	6,715,200	6,106,851
<b>Total Net Assets</b>	<b><u>8,479,163</u></b>	<b><u>8,105,335</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 8,546,381</u></b>	<b><u>\$ 8,150,133</u></b>

See Notes to Financial Statements

**WEBSTER HOUSE**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>Support, Revenues and Gains</b>		
Gifts and grants	\$ 318,708	\$ 300,886
Fees and grants from governmental agencies, recurring	643,830	858,294
Fees and grants from governmental agencies, non-recurring	20,850	288,600
Investment income	101,035	88,701
Charitable gaming	78,408	48,045
Special event, net of direct expenses in the amounts of \$- for 2021 and \$5,500 for 2020		16,050
Gain on sale of assets		6,250
Total Unrestricted Support, Revenues and Gains	1,162,831	1,606,826
<b>Net Assets Released from Restrictions</b>	234,627	201,855
Total Unrestricted Support, Revenues, Gains and Reclassifications	1,397,458	1,808,681
<b>Expenses</b>		
Program Services		
Room, board, care and support	1,377,293	1,360,530
Supporting Services		
Fundraising	37,044	52,552
Management and general	217,642	211,443
Total Supporting Services	254,686	263,995
Total Expenses	1,631,979	1,624,525
<b>Change in Net Assets without Donor Restrictions</b>	(234,521)	184,156
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
<b>Support, Revenues and Gains</b>		
Gifts and grants	128,512	53,168
Fees and grants from governmental agencies, non-recurring	-	72,984
Investment income	714,464	574,278
Total Donor Restricted Support, Revenues and Gains	842,976	700,430
<b>Net Assets Released from Restrictions</b>	(234,627)	(201,855)
<b>Change in Net Assets with Donor Restrictions</b>	608,349	498,575
<b>Change in Net Assets</b>	373,828	682,731
<b>Net Assets, Beginning of Year</b>	8,105,335	7,422,604
<b>Net Assets, End of Year</b>	\$ 8,479,163	\$ 8,105,335

See Notes to Financial Statements

**WEBSTER HOUSE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>PROGRAM SERVICES</b>	<b>SUPPORTING SERVICES</b>			<b>TOTAL</b>
	<b>Room, Board, Care and Support</b>	<b>Fund- raising</b>	<b>Management and General</b>	<b>Total Supporting Services</b>	<b>2021</b>
<b>Employee Compensation</b>					
Salaries and wages	\$ 937,508	\$ 22,059	\$ 143,384	\$ 165,443	\$ 1,102,951
Payroll taxes	70,634	1,662	10,803	12,465	83,099
Benefits - group health	74,225	1,746	11,352	13,098	87,323
	<u>1,082,367</u>	<u>25,467</u>	<u>165,539</u>	<u>191,006</u>	<u>1,273,373</u>
Insurance	37,814	890	5,783	6,673	44,487
Utilities	23,723	510	1,276	1,786	25,509
Provisions	41,454	-	-	-	41,454
Transportation	7,698	79	78	157	7,855
Program activities	25,890	-	-	-	25,890
Repairs and maintenance	29,396	632	1,581	2,213	31,609
Advertising	2,283	49	123	172	2,455
Household supplies and expenses	8,419	181	453	634	9,053
Office supplies and expenses	27,878	464	3,017	3,481	31,359
Professional services	-	7,611	36,344	43,955	43,955
Allowance and jobs	6,947	-	-	-	6,947
Telephone	5,809	137	888	1,025	6,834
Clothing	2,236	-	-	-	2,236
Staff training	23,000	-	-	-	23,000
Christmas and other gifts	4,656	-	-	-	4,656
School supplies and expense	54	-	-	-	54
Medical expenses	60	-	-	-	60
<b>Total expenses before depreciation</b>	<u>1,329,684</u>	<u>36,020</u>	<u>215,082</u>	<u>251,102</u>	<u>1,580,786</u>
Depreciation	47,609	1,024	2,560	3,584	51,193
<b>Total expenses</b>	<u>\$ 1,377,293</u>	<u>\$ 37,044</u>	<u>\$ 217,642</u>	<u>\$ 254,686</u>	<u>\$ 1,631,979</u>

See Notes to Financial Statements



**WEBSTER HOUSE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>PROGRAM SERVICES</b>	<b>SUPPORTING SERVICES</b>			<b>TOTAL</b>
	<b>Room, Board, Care and Support</b>	<b>Fund- raising</b>	<b>Management and General</b>	<b>Total Supporting Services</b>	<b>2020</b>
<b>Employee Compensation</b>					
Salaries and wages	\$ 915,887	\$ 32,710	\$ 141,745	\$ 174,455	\$ 1,090,342
Payroll taxes	69,416	2,479	10,743	13,222	82,638
Benefits - group health	86,386	3,085	13,369	16,454	102,840
	<u>1,071,689</u>	<u>38,274</u>	<u>165,857</u>	<u>204,131</u>	<u>1,275,820</u>
Insurance	43,792	1,564	6,777	8,341	52,133
Utilities	21,390	460	1,150	1,610	23,000
Provisions	50,068	-	-	-	50,068
Transportation	10,929	112	111	223	11,152
Program activities	20,613	-	-	-	20,613
Repairs and maintenance	14,260	307	766	1,073	15,333
Household supplies and expenses	15,065	324	810	1,134	16,199
Office supplies and expenses	17,970	354	1,534	1,888	19,858
Professional services	-	9,989	31,201	41,190	41,190
Allowance and jobs	8,148	-	-	-	8,148
Telephone	4,825	172	747	919	5,744
Clothing	2,637	-	-	-	2,637
Staff training	24,899	-	-	-	24,899
Christmas and other gifts	4,886	-	-	-	4,886
School supplies and expense	2,582	-	-	-	2,582
Medical expenses	463	-	-	-	463
<b>Total expenses before depreciation</b>	<u>1,314,216</u>	<u>51,556</u>	<u>208,953</u>	<u>260,509</u>	<u>1,574,725</u>
Depreciation	46,314	996	2,490	3,486	49,800
<b>Total expenses</b>	<u>\$ 1,360,530</u>	<u>\$ 52,552</u>	<u>\$ 211,443</u>	<u>\$ 263,995</u>	<u>\$ 1,624,525</u>

See Notes to Financial Statements

**WEBSTER HOUSE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 373,828	\$ 682,731
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
In-kind donations	(3,619)	(6,924)
Depreciation	51,193	49,800
Gain on sale of fixed asset		(6,250)
Net realized and unrealized (gains) and losses on investments	(688,284)	(573,877)
(Increase) decrease in accounts receivable	20,101	(30,031)
(Increase) decrease in grants receivable	(40,000)	10,000
(Increase) decrease in prepaid expenses	(4,246)	(225)
Increase (decrease) in accounts payable and accrued expenses	22,420	13,424
	<u>(642,435)</u>	<u>(544,083)</u>
<b>Net cash provided by (used for) operating activities</b>	<u>(268,607)</u>	<u>138,648</u>
<b>Cash Flows for Investing Activities</b>		
Payments for the purchase of property	(15,325)	(25,664)
Purchases of long-term investments	(4,827,529)	(2,075,681)
Proceeds from the sale of long-term investments	4,836,382	2,114,174
Proceeds from the sale of fixed asset	3,400	6,250
	<u>(3,072)</u>	<u>19,079</u>
<b>Net cash provided by (used for) investing activities</b>	<u>(3,072)</u>	<u>19,079</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(271,679)	157,727
<b>Cash and equivalents, beginning of year</b>	405,979	248,252
<b>Cash and equivalents, end of year</b>	<u>\$ 134,300</u>	<u>\$ 405,979</u>

See Notes to Financial Statements

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1: NATURE OF ORGANIZATION**

The Webster House (the Organization), a not-for-profit located in Manchester, New Hampshire, provides board, care, support and guidance to children ages 8-18 in a group home environment. The average monthly census ranges from six to twelve teenagers. The Organization receives approximately 56% of its funding from federal sources and the State of New Hampshire.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting and Presentation

The accompanying financial statements have been prepared in accordance with standards of the Accounting and Financial Reporting for Not-for-Profit Organizations as promulgated by the American Institute of Certified Public Accountants. They are stated on the accrual basis and include all material accounts receivable and accounts payable.

Accounting Pronouncements Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU supersedes the revenue recognition requirements in "Topic 605, Revenue Recognition", and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted this ASU on January 1, 2020.

A portion of the Organization's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon daily room, board, care and support services provided to each resident. Amount received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant performance requirements (provided daily services to each resident).

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial Statement Presentation

The Organization follows the recommendation of the Financial Accounting Standards Board as applicable to not-for-profit organizations. Under these standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, as applicable: net assets with donor restrictions or net assets without donor restrictions.

Descriptions of the two net asset categories are as follows:

Net Assets with Donor Restrictions

The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets without Donor Restrictions

The part of net assets of a not-for-profit that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

A donor-imposed restriction is a donor stipulation (donors include other types of contributors, including makers of certain grants) that specifies a use for a contributed asset that is more specific than broad limits resulting from the following:

- a. The nature of the not-for-profit entity (NFP)
- b. The environment in which it operates
- c. The purposes specified in its articles of incorporation or bylaws or comparable documents for an unincorporated association.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets, that is, the donor-imposed stipulated purpose having been accomplished and/or the stipulated time period having lapsed, are recorded as reclassifications between the applicable classes of net assets. Temporary restricted donor contributions received and spent within the same year are recorded as net assets without donor restrictions.

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables

Accounts receivable do not include an allowance for doubtful accounts since the Organization believes all amounts to be collectible.

Investments

Investments, which consist of marketable securities, are stated at their fair value based on quoted market prices. Investment income is allocated to the various funds within the without donor restrictions and with donor restriction funds based on their proportion of fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Property and Equipment

Land, building and equipment is carried at cost or fair market value at the date of acquisition or donation. Depreciation is recorded on building and equipment under the straight-line method based on estimated useful lives. Expenditures for additions, renewals and betterments of buildings and equipment, unless of a relatively minor amount, are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

Contributed Services and Items

The value of contributed services of volunteers is not reflected in these statements since the criteria for recording was not met. Contributed items are recorded at their estimated fair market value at the date of donation.

Unconditional Promises to Give

Unconditional promises to give are recognized as revenues and assets in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services are presented on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are directly charged to the appropriate activity, where feasible. The financial statements report certain categories of expenses that are attributable to more than one program or function. Therefore, they may require allocation on a reasonable basis that is consistently applied. This basis included building use percentage and personnel cost allocations. Personnel costs are allocated based on the estimates of time and effort.

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a 501(c)(3) organization exempt from income tax under Section 501(a) of the Internal Revenue Code. The Organization has analyzed its tax positions and has determined that there are no unrecognized tax obligations to record. The Organization's tax returns for the tax years 2019 to 2021 are subject to examination.

Reclassifications

Certain reclassifications have been made for consistent presentation.

**NOTE 3: RISKS AND UNCERTAINTIES**

On January 30, 2020, the World Health Organization declared the novel coronavirus (COVID-19) a Public Health Emergency of International Concern. Later, on March 11, 2020, the World Health Organization made the assessment that COVID-19 was a global health pandemic. Measures taken by federal, state, and local officials to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses, resulting in an economic slowdown. Throughout the pandemic, management has continued to evolve to better support the Organization and its residents, despite the COVID-19 restrictions placed on the residents. Fundraising efforts were impacted by COVID-19. In 2020, the Organization's annual in-person spring raffle was replaced with a remote raffle held in the fall. In 2021, the raffle was not held.

In an effort to counter the COVID-19 virus' impact on operations, the Organization applied for and received \$20,850 and \$288,600 from various funding from federal and state sources for 2021 and 2020, respectively (see Note 11).

The global outbreak of COVID-19 continues to rapidly evolve, and the ultimate impact of the pandemic is highly uncertain. The COVID-19 outbreak may adversely impact future finances and operations through the potential decline in contribution income and federal/state grants related to COVID-19 relief. In addition, potential volatility in the financial markets could cause a decline in investment income and fair market values. However, at this time the Organization cannot accurately predict the full extent of the impact. The Organization continues to monitor developments and the directives of federal, state and local officials to determine what additional policies and procedures need to be implemented by the Organization.

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available to meet cash needs for general expenditures within one year. The Organization's working capital and cash flows have minimal variation throughout the year. The minimal variation results from sporadic donations received at varying times throughout the year.

The Organization currently withdraws approximately two percent per month of the endowment fund's value for operating expenditures. The Organization has the option to withdraw additional funds to supplement operating expenses.

As part of the Organization's liquidity management, it invests cash in excess of general operating requirements in certificates of deposit or marketable securities.

Current financial assets at year end:	<u>2021</u>	<u>2020</u>
Cash and equivalents	\$ 134,300	\$ 405,979
Accounts and grants receivable	96,250	76,351
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 230,550</u>	<u>\$ 482,330</u>

**NOTE 5: CONCENTRATIONS OF CREDIT RISK**

The Organization maintains several bank accounts at different financial institutions which at times may exceed the federally insured limits. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Normally, accounts receivable consists primarily of amounts due from the State of New Hampshire.

**NOTE 6: INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 6: INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)**

This principle establishes a fair value hierarchy which requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following is a description of the valuation methods and assumptions used by the Organization to estimate the fair values of certain financial instruments:

The fair values of cash, fixed income, mutual funds and common stock equities are readily marketable and are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Endowment assets are held with UBS. Funds without donor restrictions and funds with donor restrictions are pooled into four investment accounts holding marketable securities. They are recorded at fair value at December 31, 2021 and 2020, as summarized below. Accrued interest is included in bond values.



**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 6: INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)**

	<b>2021</b>	
	<b>Fair Value</b>	<b>Cost</b>
Cash	\$ 236,276	\$ 236,276
U.S. government obligations	594,922	589,126
Corporate bonds	352,507	349,314
Asset backed bonds	137,016	138,574
Mutual funds	1,150,662	1,168,334
Common stock	5,132,400	4,029,087
Total held by UBS	<u>\$ 7,603,783</u>	<u>\$ 6,510,711</u>
Unrealized appreciation	<u>\$1,093,072</u>	

	<b>2020</b>	
	<b>Fair Value</b>	<b>Cost</b>
Cash	\$ 226,363	\$ 226,363
U.S. government obligations	1,029,396	970,053
Corporate bonds	808,510	767,753
Asset backed bonds	67,714	66,758
Mutual funds	341,038	326,471
Common stock	4,457,680	3,120,424
Total held by UBS	<u>\$ 6,930,701</u>	<u>\$ 5,477,822</u>
Unrealized appreciation	<u>\$1,452,879</u>	

**NOTE 7: BENEFICIAL INTEREST IN PERPETUAL TRUSTS**

The Organization is a beneficiary of two perpetual interest trusts administered by Citizens Bank. Fair value has been determined using quoted prices for identical assets (level 1 input). The fair market values of the Organization's share of the assets held by these trusts are as follows:

	<b>2021</b>	<b>2020</b>
Frank E. Green Trust	\$ 28,864	\$ 29,336
Eliza B. Green Trust	175,634	165,194
Total	<u>\$ 204,498</u>	<u>\$ 194,530</u>

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 8: LAND, BUILDING AND EQUIPMENT**

A summary of land, building and equipment follows:

	<u>2021</u>	<u>2020</u>
Land, building and improvements	\$ 1,324,251	\$ 1,308,926
Furniture and fixtures	129,052	129,052
Equipment	185,125	188,525
	<u>1,638,428</u>	<u>1,626,503</u>
Accumulated depreciation	(1,141,272)	(1,090,079)
	<u>\$ 497,156</u>	<u>\$ 536,424</u>

The estimated useful lives for depreciation are five through 50 years.

**NOTE 9: NET ASSETS**

Net assets are further broken down as follows:

	<u>2021</u>	<u>2020</u>
<b>Net Assets without Donor Restrictions</b>		
Board designated	\$ 72,929	\$ 65,914
Undesignated	1,691,034	1,932,570
Total	<u>1,763,963</u>	<u>1,998,484</u>
<b>Net Assets with Donor Restrictions</b>		
<u>Purpose restricted</u>		
Grants	193,832	179,947
Unappropriated endowment fund income	689,920	630,458
Subtotal	<u>883,752</u>	<u>810,405</u>
<u>Perpetual in nature</u>		
Legacies	5,582,570	5,057,536
Beneficial interests in perpetual trusts	204,498	194,530
Trust funds - Christmas, clothing, outward bound	44,380	44,380
Subtotal	<u>5,831,448</u>	<u>5,296,446</u>
Total	<u>6,715,200</u>	<u>6,106,851</u>
<b>Total Net Assets</b>	<u>\$ 8,479,163</u>	<u>\$ 8,105,335</u>

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 10: ENDOWMENT FUND**

The Organization's endowment consists of four funds. As required by generally accepted accounting principles, the net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions, as presented in Note 9.

**Interpretation of Relevant Law**

The Board of Directors of the Organization has interpreted the State of New Hampshire's Uniform Prudent Management of Institutional Funds Act as requiring the management of the funds to comply with the intent of the donors and to manage and invest the fund in good faith and with the care an ordinarily prudent person would exercise under similar circumstances. The Board also interprets the law to state that gains and losses on endowment funds should be allocated to net assets with donor restrictions. As a result of these interpretations, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated, (b) the original value of gifts subsequently donated and (c) accumulations of gains, both realized and unrealized. Any remaining portion of accumulations is classified as net assets with donor restrictions until those amounts are appropriated for expenditure.

The Organization also interprets the law to state that the Board may determine appropriations for expenditures, up to limits cited in the law, and accumulations of the endowments as the Board deems appropriate. In accordance with the law, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the endowment fund
- (2) The purposes of the Organization and the endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation/depreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization.

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment funds that attempt to provide a predictable stream of funding for programs while seeking to preserve the fund. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The Organization currently holds equities as well as fixed income government and corporate bonds employing a moderate level of investment risk. Investment returns consist both of capital appreciation (realized and unrealized) and current yield (interest and dividends).

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 10: ENDOWMENT FUND (continued)**

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy**

The Organization's policy allows interest and dividend income for distribution. The actual distribution is approximately two percent of its endowment fund's average value and the amount is based on the annual need determined in the budget process. The remaining amount of interest and dividends is classified as net assets with donor restrictions effective for the years ended December 31, 2021 and 2020. The funds average return rate has been approximately seven percent. The Organization's policy is to distribute the minimum amount necessary to fund program operations. This policy is consistent with the Organization's objective to maintain and grow the fund.

**Changes in Endowment Assets - 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets beginning of year	\$ 1,198,327	\$ 5,732,374	\$ 6,930,701
Additions:	3,620	-	\$ 3,620
<b>Investment return:</b>			
Investment income	35,914	146,765	\$ 182,679
Investment fees	(71,533)	-	\$ (71,533)
Net realized gain (loss)	180,083	858,040	\$ 1,038,123
Net unrealized gain (loss)	(59,498)	(300,309)	\$ (359,807)
Total investment return	84,966	704,496	789,462
Appropriation of endowment assets for expenditure	-	(120,000)	\$ (120,000)
Endowment net assets end of year	<u>\$ 1,286,913</u>	<u>\$ 6,316,870</u>	<u>\$ 7,603,783</u>

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 10: ENDOWMENT FUND (continued)****Changes in Endowment Assets - 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets beginning of year	\$ 1,113,697	\$ 5,293,061	\$ 6,406,758
Additions	3,524	-	\$ 3,524
<b>Investment return:</b>			
Investment income	26,987	110,282	\$ 137,269
Investment fees	(55,762)	-	\$ (55,762)
Net realized gain (loss)	30,528	124,753	\$ 155,281
Net unrealized gain (loss)	79,353	324,278	\$ 403,631
Total investment return	81,106	559,313	640,419
Appropriation of endowment assets for expenditure	-	(120,000)	\$ (120,000)
Endowment net assets end of year	<u>\$ 1,198,327</u>	<u>\$ 5,732,374</u>	<u>\$ 6,930,701</u>

**NOTE 11: FEES AND GRANTS FROM GOVERNMENTAL AGENCIES**

Recurring fees and grants from governmental agencies are comprised of funding from the State of New Hampshire to support daily operations.

Nonrecurring fees and grants from governmental agencies at December 31, 2021 and 2020 are comprised of the following:

In 2020, The Organization received \$72,984 from the State of New Hampshire's Department of Health and Human Services in relation to it becoming a certified residential treatment provider. At December 31, 2020, \$27,978 was unspent and included in restricted support. In 2021, all remaining funds were spent.

In response to the COVID-19 pandemic's effect on the operations of long term care facilities, the State of New Hampshire provided the Organization with \$20,850 and \$101,100 through the "Long Term Care Stabilization Program." for 2021 and 2020, respectively. The Organization was eligible to receive this funding since its frontline workers provided qualifying services for an approved Medicaid provider during the pandemic.

**WEBSTER HOUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 11: FEES AND GRANTS FROM GOVERNMENTAL AGENCIES (continued)**

In an effort to counter the COVID-19 pandemic's negative impact on operations, the Organization applied for and received a \$187,500 forgivable Paycheck Protection Program loan in April 2020. This funding was provided under the federal Coronavirus Aid, Relief and Economic Security Act (CARES Act). The Organization complied with the terms of the loan which required it to use at least 75% of the loan proceeds on payroll costs (including benefits) and at most 25% on payments of mortgage interest, rent, utilities and interest on any other debt obligations during a set 24-week period. In November 2020, the Organization applied for and received forgiveness of the loan in full.

**NOTE 12: INVESTMENT INCOME**

Investment income for the years ended December 31, 2021 and 2020 is reported as follows:

	<u>2021</u>	<u>2020</u>
<b>Without Donor Restrictions</b>		
Interest and dividends	\$ 51,983	\$ 34,582
Investment fees	(71,533)	(55,762)
Net realized gain (loss)	180,083	30,528
Net unrealized gain (loss)	(59,498)	79,353
Total	<u>\$ 101,035</u>	<u>\$ 88,701</u>
<b>With Donor Restrictions</b>		
Interest and dividends	\$ 146,765	\$ 110,282
Net realized gain (loss)	858,040	124,753
Net unrealized gain (loss)	(290,341)	339,243
Total	<u>\$ 714,464</u>	<u>\$ 574,278</u>

**NOTE 13: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 17, 2022, which is the date the financial statements were available to be issued.

As the COVID-19 virus continues to spread, the Organization remains hopeful that future potential disruptions to operations will be minimal; however, the related financial impact and duration of the pandemic cannot be reasonably estimated at this time.



**Webster House**  
BUILDING CHILDREN'S FUTURES TOGETHER

**2022-2023 Webster House Board of Directors**

**Eddie Ithier,**  
**President**  
SNHU

**Matt Vasil,**  
**Treasurer**  
Baker Newman Noyes

**Kristin Faxon**  
Optum

**Anne Marie Hafeman**  
Elliot Hospital

**Nicole Howley**  
Nicole Howley Homes Group

**Stacy Scarlett Martin**  
Stacy Scarlett Martin  
Graphic Design

**Sara Janes Hoag,**  
**Vice President**  
Primerica

**Kathleen Stevens,**  
**Secretary**  
St. Mary's Bank

**Sherry Nannis,**  
WMUR

**Hollie Strandson**  
Five North Realty Group, Inc.

**Andrew Switzer**  
M&T Bank

**Abby Tucker**  
Wadleigh, Starr & Peters,  
P.L.L.C.

**Grant Van der Beken**  
The Hartford

**Michelle O'Malley**  
michelle.omalley@websterhousenh.org

**Webster House Children's Home, 2021-Present**

*Chief Executive Officer*

Top-ranking position reporting to the Board of Directors. Responsible for providing the vision, leadership and management of the house as well as securing funding to support it.

- Leadership, oversight, and direction of staff and volunteers.
- Oversee the implementation of state certifications, program, funding, and staffing.
- Collaborate with the Board of Directors in creating and implementing a strategic plan.
- Implement a fundraising plan including grants, company partnerships and donors.
- Engage a wide range of stakeholders to build community partnerships.

**March of Dimes, 2013-2020**

*Associate Executive Director, Northern New England June, 2019-November 2020*

*Senior Development Manager, Northern New England 2013-2019*

Chief development officer responsible for events and relationships in NH, ME and VT markets.

- Strategize, plan and execute 8 annual fundraising events in Northern New England including March for Babies and Signature Chefs Auction. Raised \$500,000 in 2019.
- Develop revenue plans including core tactics and strategies to meet goals and YOY growth. Increased March for Babies corporate relationships and sponsorship by over 1000% and increased Signature Chef Auction overall revenue by over 250% since 2018.
- Recruit and steward 15 Board members. Manage relationships, communications, meeting preparation, and execution. Board members helped raise over \$100,000 in 2019.
- Recruit, motivate, and develop over 500 volunteers in the Northern New England Market. Articulate goals, outcomes and objectives to collaborate on reaching annual revenue goals.
- Provide mission visibility for 8 events through public relations outreach, press releases and interviews with Binnie Media radio stations and WMUR. Deliver social media posts pre and post event including several individual sponsor and logo lockup posts per event.
- Execute leadership through excellent work ethic, relationships, and strategic planning for 3 states. Manage increasing responsibilities to build networks and grow revenue.
- Manage operations, logistics, and keep expenses to 7% of the \$500,000 budget. Secure in-kind donations and discounted rates to keep all event expenses low.

**Daniel Webster College, Nashua, New Hampshire 2010-2012**

*Dean of Students*

Chief student affairs officer, responsible for housing, student activities, leadership, first-year programs, and student conduct.

- Designed *Freshman101: Strategies for Success*: curriculum, assessment, instructor preparation.
- Established, trained, chaired Student Conduct Review Board: adjudicated 25 hearings.
- Managed on-call schedule and crisis situations; Hospital first responder 2 times weekly.
- Collaborated with faculty to establish the Living Learning Community, a service initiative.



**Brandeis University, Waltham, Massachusetts 2004–2010**

*Director of Community Living 2009–2010*

Responsible for department operations, 1 million budget, human resources, and over 50 residential facilities. Managed facilities issues, safety procedures, customer service, and policy implementation.

*Director of Orientation and First-Year Programs 2004–2009*

Created and managed all new student programs. Orchestrated end-to-end orientation process: hiring staff, the publication of information, and execution of high profile programs.

- Provided daily crisis management, behavioral health interventions: on-call administrator.
- Established community service focused Living Learning Community programs.
- Implemented orientation program for over 1,000 incoming students, and families.
- Conceptualized and executed First Year Experience, Diversity Leadership, and *First-Year Experience: Spirit, Mind, and Body* course: curriculum, assessment, instructor preparation.

**New York University, Stern School of Business, New York 2001-2004**

*Associate Director of Student Services*

Created and managed all MBA student programs and professional conferences. Orchestrated end-to-end orientation process.

- Managed office and staff: hired, trained, supervised, and coached on policies.
- Implemented orientation program for MBA students.
- Coordinated conferences including high profile/CEO level keynote speakers
- Increased student involvement through events, leader training, and graduation activities.

**Fordham University, Bronx, New York 1997-2000**

*Director of Student Activities, McGinley Student Center and Orientation*

Managed services and operations within the student center. Orchestrated end-to-end orientation process: hiring/managing staff, the publication of information, and execution of programs.

**Washington and Lee University, Lexington, Virginia 1994–1997**

*Director of Student Activities and Residential Programs*

Charged with designing the University's first student activities office: Improved campus life with the design and implementation of non-Greek activities, leadership programs, and workshops.

**Volunteer Experience:**

Women's Business League of Londonderry, NH	2020-Present
Manchester Chamber of Commerce, Manchester, NH	2013-Present
Palace Theatre Advisory Board, Manchester, NH	2015-Present
Leadership New Hampshire, Class of 2021	2020-2021
BIA/Sojourn Partners Emerging Leader Program	2018-2019
Leadership Greater Manchester, Class of 2017	2016-2017

**Education:**

**Springfield College, Springfield, Massachusetts 1994**

Master of Education, Counseling and Psychological Services/Student Personnel Administration

**Western New England University, Springfield, Massachusetts 1991**

Bachelor of Science, Business Administration/Human Resources Management

# BLAIR STAIRS

Blair.stairs@websterhouseh.org

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## EXPERIENCE

**JAN. 2021 – PRESENT**

**EXECUTIVE DIRECTOR, WEBSTER HOUSE**

- Responsible for leading and supervising a team of residential counselors and administration
- Ensuring the financial growth and stability of the program
- Monitoring and maintaining the well-being of clients served
- Overseeing program operations and needs and monitoring staffing needs
- Maintaining and creating new community connections for the program
- Providing emergency on-call support to residential staff
- Working collaboratively with a Board of Directors to ensure the stability and longevity of the program.

**FEB 2019 – JAN. 2021**

**ASSISTANT DIRECTOR/CLINICAL COORDINATOR, WEBSTER HOUSE**

- Responsible for screening referrals and coordinating client interviews
- Completing intakes and assessments of new clients, developing strength-based treatment plans for clients and coordinating and conducting team meetings
- Communicating and collaborating with referral sources, family, and treatment team members
- Organizing and leading bi-weekly group counseling sessions, and providing individual counseling and crisis intervention to clients as needed
- Supervising case managers to ensure the needs of the clients and Case Managers are being met.
- Responsible for conducting educational in-service trainings for staff, leading staff meetings, and providing emergency on-call support to residential staff.

**OCT. 2013 – JAN. 2019**

**CASE MANAGER, WEBSTER HOUSE**

- Responsible for ensuring the needs of assigned clients are met through collaboration with community agencies for medical, dental, and mental health care appointments
- Assisting with developing and monitoring client progress toward treatment goals through monthly reporting and participation in team treatment meetings, and counseling clients in individual and group settings
- Preparing and presenting case files for annual state site evaluations
- Monitoring client progress in community settings such as home, counseling, and school
- Communicating and collaborating with referral sources, family, and treatment team members.

**SEPT. 2012 – OCT. 2013**

**RESIDENTIAL COUNSELOR, WEBSTER HOUSE**

- Responsible for assessing and overseeing the direct care and well-being of clients, transporting clients to appointments, and counseling clients weekly on progress within program.

**EDUCATION**

**MAY 2021**

**MASTER OF SOCIAL WORK, UNIVERSITY OF NEW HAMPSHIRE**

**CERTIFICATE IN CHILD WELFARE, UNIVERSITY OF NEW HAMPSHIRE**

- Awarded two behavioral health scholarships for academic achievements
- Received highest honors

**MAY 2013**

**BACHELOR OF ARTS IN PSYCHOLOGY, SOUTHERN NEW HAMPSHIRE UNIVERSITY**

- Concentration in Child and Adolescent Psychology
- Received highest honors
- Awarded an academic scholarship
- President's list.

**SKILLS**

- Trained in NH Medication Dispensing
- CPR/First Aid trained
- Water Safety Certified
- Trained in Trust Based Relational Interventions
- De-escalation trained in M.O.A.B

**ACTIVITIES**

I enjoy engaging in fundraising activities annually that enable youth to engage in outdoor activities that increase mental health stability.

Webster House Children's Home  
Key Personnel

Name	Job Title	Salary Amount Paid from this Contract
Michelle O'Malley	Chief Executive Officer	\$104,000
Blair Stairs	Executive Director	\$ 78,750

Subject: Workforce Capacity for Residential Treatment Programs for Children and Youth


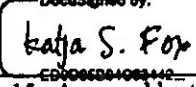
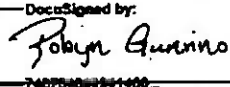
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> New Hampshire Department of Health and Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301-3857	
<b>1.3 Contractor Name</b> Whitney Academy, Inc.		<b>1.4 Contractor Address</b> 85 Dr Braley Road, PO Box 619 East Freetown, MA 02717	
<b>1.5 Contractor Phone Number</b> 508-763-3737	<b>1.6 Account Number</b> 10-20530000-102-500731	<b>1.7 Completion Date</b> 6/30/2023	<b>1.8 Price Limitation</b> \$1,700,000
<b>1.9 Contracting Officer for State Agency</b> Robert W. Moore, Director		<b>1.10 State Agency Telephone Number</b> (603) 271-9631	
<b>1.11 Contractor Signature</b> DocuSigned by:  Date: 10/17/2022		<b>1.12 Name and Title of Contractor Signatory</b> Kevin Marques Executive Director	
<b>1.13 State Agency Signature</b> DocuSigned by:  Date: 10/17/2022		<b>1.14 Name and Title of State Agency Signatory</b> Katja S. Fox Director	
<b>1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b> By:  On: 10/18/2022			
<b>1.17 Approval by the Governor and Executive Council (if applicable)</b> G&C Item number: _____ G&C Meeting Date: _____			

Contractor Initials   
 Date 10/17/2022

**2. SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.


6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials   
Date 10/17/2022

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omissions of the

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Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**17. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

**18. CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

**19. CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials   
Date 10/17/2022



**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, must become effective on October 1, 2022 ("Effective Date").

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor must 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 must specify how corrective action must be managed. The Contractor must manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor must annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must maintain and enhance their workforce capacity within their Residential Treatment Programs for children and youth.
- 1.2. For the purposes of this Agreement, all references to days must mean calendar days, excluding state and federal holidays.
- 1.3. For the purposes of this Agreement, all references to business hours must mean Monday through Friday from 8:00AM to 4:00PM.
- 1.4. The Contractor must:
  - 1.4.1. Operate as a Residential Treatment Program for children and youth;
  - 1.4.2. Maintain its current contract for a Residential Treatment Program with the Department; and
  - 1.4.3. Be certified by the Division for Children Youth and Families and the Bureau of Children's Behavioral Health in accordance with NH Administrative Rule He-C 6350.
- 1.5. The Contractor must develop a detailed staff recruitment and retention spending plan ("the Plan") within 20 days of the resulting contract, for review and approval by the Department.
  - 1.5.1. The recruitment and retention activities detailed in the Plan may include, but are not limited to:
    - 1.5.1.1. Advertising activities.
    - 1.5.1.2. Conducting outreach to universities and colleges.
    - 1.5.1.3. Attending job fairs.
    - 1.5.1.4. Offering sign-on bonuses.
    - 1.5.1.5. Covering relocation costs for staff.
    - 1.5.1.6. Offering stipends for retention.
    - 1.5.1.7. Covering staff training costs.
    - 1.5.1.8. Offering tuition reimbursement or loan repayment.
    - 1.5.1.9. Offering support for professional licensure.
    - 1.5.1.10. Offering overtime bonuses.
  - 1.5.2. The Contractor agrees that the Department retains the right to not approve activities that are impermissible or deemed outside of the scope of the contract.
    - 1.5.2.1. The Contractor agrees that if the Department does not approve an activity, the Contractor will revise and resubmit

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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its Plan within five (5) days of notification of non-approval from the Department.

1.6. The Contractor must implement the Plan immediately upon notification of Department approval.

**1.7. Reporting**

1.7.1. The Contractor must submit monthly reports, in a format approved by the Department, to ensure recruitment and retention activities are ongoing, which include, but are not limited to:

1.7.1.1. Youth Served.

1.7.1.2. Workforce, including, but not limited to:

1.7.1.2.1. Total Staffing.

1.7.1.2.2. Resignations.

1.7.1.2.3. Vacant Positions.

1.7.1.2.4. Offers.

1.7.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**2. Exhibits Incorporated**

2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.

2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically**

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**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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**Appropriate Programs and Services**

- 3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

- 3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."
- 3.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.
- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:
- 3.3.3.1. Brochures.
  - 3.3.3.2. Resource directories.
  - 3.3.3.3. Protocols or guidelines.
  - 3.3.3.4. Posters.
  - 3.3.3.5. Reports.
- 3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**3.4. Operation of Facilities: Compliance with Laws and Regulations**

- 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

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT B**

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or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

**4. Records**

- 4.1. The Contractor must keep records that include, but are not limited to:
- 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
  - 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 4.2. 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. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement and/or survive the termination of the Agreement) must terminate, provided however, that if, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder the Department must retain 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  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 100% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. This Agreement is one (1) of fifteen (15) Agreements with Vendors that will expand workforce capacity within their Residential Treatment Programs for children and youth in accordance with NH Administrative Rule He-C 6350. The statewide total price limitation among all fifteen (15) agreements is \$1,700,000 for SFY 2023 which has been included in Block 1.8 Price Limitation of the General Provisions, P-37. No maximum or minimum funding amount per Contractor is guaranteed.
4. Payment must be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and must be in accordance with the approved line items, as specified in the Department-approved Staff Recruitment and Retention Spending Plan (the Plan) referenced in Exhibit B, Scope of Services.
  - 4.1. The Contractor may not incur costs in excess of the approved Plan without Department approval. The Contractor may request additional funds by submitting an additional Plan, subject to Department approval and availability of funds.
5. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor must ensure each invoice:
  - 5.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 5.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 5.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 5.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 5.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.

**New Hampshire Department of Health and Human Services  
Workforce Capacity for Residential Treatment Programs for Children and Youth  
EXHIBIT C**

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- 5.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov) or mailed to:
- Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301
6. The Department must make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
7. The final invoice and supporting documentation for authorized expenses must be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
9. Audits
- 9.1. 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:
- 9.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
- 9.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 9.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 9.2. If Condition A exists, the Contractor must submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto: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.

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**New Hampshire Department of Health and Human Services  
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EXHIBIT C**

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- 9.2.1. The Contractor must submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor must submit quarterly progress reports on the status of implementation of the corrective action plan.
- 9.3. If Condition B or Condition C exists, the Contractor must submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 9.4. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor must be held liable for any state or federal audit exceptions and must return to the Department all payments made under the Agreement to which exception has been taken, or which have been disallowed because of such an exception.

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New Hampshire Department of Health and Human Services

Exhibit D

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated recordset" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.



New Hampshire Department of Health and Human Services

Exhibit D

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



New Hampshire Department of Health and Human Services

Exhibit D

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



New Hampshire Department of Health and Human Services

Exhibit D

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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New Hampshire Department of Health and Human Services

Exhibit D

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit D. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit D, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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Contractor Initials km

Date 10/17/2022



New Hampshire Department of Health and Human Services

Exhibit D

- e. Segregation. If any term or condition of this Exhibit D or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit D are declared severable.
- f. Survival. Provisions in this Exhibit D regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit D.

Department of Health and Human Services

the whitney Academy inc.

The State

Name of the Contractor

*Katja S. Fox*

*Kevin Marques*

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Kevin Marques

Name of Authorized Representative

Name of Authorized Representative

Director

Executive Director

Title of Authorized Representative

Title of Authorized Representative

10/17/2022

10/17/2022

Date

Date

Contractor Initials *km*

Date 10/17/2022

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 confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a



New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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**CERTIFICATE OF AUTHORITY**

I, Elizabeth A. O'Keefe, 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 The Whitney Academy, Inc.  
(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 September 9, 2022, at which a quorum of the Directors/shareholders were present and voting.  
(Date)


**VOTED:** That Kevin Marques, President and Treasurer, Executive Director and Elizabeth Okeefe, Clerk and Business Manager (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of The Whitney Academy, Inc., to enter into contracts or agreements with the State  
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: October 18, 2022



Signature of Elected Officer  
Name: Elizabeth A O'Keefe  
Title: Clerk



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/04/2022

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Amplified Insurance Partners, LLC / A Telamon Company 30 Southwest Park  Westwood MA 02090	<b>CONTACT NAME:</b> Mary Waishek <b>PHONE (A.C. No. Ex):</b> (617) 964-5340 <b>FAX (A.C. No.):</b> (617) 965-1843 <b>E-MAIL ADDRESS:</b> mw@amplifiedinsurance.com  <b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Philadelphia Indemnity Insurance Co NAIC # 18058 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
<b>INSURED</b>  The Whitney Academy, Inc. P.O. Box 819  East Freetown MA 02717	

**COVERAGES** **CERTIFICATE NUMBER:** 22-23 Master **REVISION NUMBER:**

**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

INSR LTR	TYPE OF INSURANCE	ADDL. SUBM. INSD.	WYD.	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> 4/3/2004 RETROACTIVE DATE <input checked="" type="checkbox"/> 4/3/2002 ABUSIVE CONDUCT  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK2399652	04/03/2022	04/03/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS / COMP/OP AGG \$ 3,000,000 Abusive Conduct Liab \$ 1M/\$1M
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2399654	04/03/2022	04/03/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp \$500/Colt \$1000 \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB809879	04/03/2022	04/03/2023	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/EMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				
A	HUMAN SERVICES ORGANIZATION PROFESSIONAL LIABILITY			PHPK2399652	04/03/2022	04/03/2023	EACH INCIDENT LIMIT 1,000,000 AGGREGATE LIMIT 3,000,000 CLAIMS MADE RETRO 4/3/2004

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER**

**CANCELLATION**

State of New Hampshire Dept of Health and Human Services 129 Pleasant Street  Concord, NH 03301-3857	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  
---	---

AGENCY CUSTOMER ID: 00016119

LOC #: \_\_\_\_\_



### ADDITIONAL REMARKS SCHEDULE

Page \_\_\_\_ of \_\_\_\_

AGENCY Amplified Insurance Partners		NAMED INSURED Whitney Academy, Inc.	
POLICY NUMBER			
CARRIER	NAIC CODE	EFFECTIVE DATE:	

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25      FORM TITLE: Certificate of Liability Insurance: Notes

Division for Children, Youth and Families (DCYF) - New Hampshire included as additional insured under the commercial general liability policy where required by written contract.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/02/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. IF SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER:</b> The John M. Sullivan Insurance Agen P. O. Box 920047 Needham, MA 02492	<b>CONTACT NAME:</b> PHONE (A/C No. Ext): 781-449-9330 FAX (A/C No): 781-449-3511	
	<b>E-MAIL ADDRESS:</b> sullivan.insadv@verizon.net	
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A:</b> Liberty Mutual Insurance WCP		
<b>INSURER B:</b>		
<b>INSURER C:</b>		
<b>INSURER D:</b>		
<b>INSURER E:</b>		
<b>INSURER F:</b>		

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR (INSR NO)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE	\$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Per accident)	\$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$					EACH OCCURRENCE	\$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	WC5-31S-325287-021	12/11/2021	12/11/2022	PER STATUTE    OTH-ER	
						E.L. EACH ACCIDENT	\$ 500,000
						E.L. DISEASE - EA EMPLOYEE	\$ 500,000
						E.L. DISEASE - POLICY LIMIT	\$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b> State of New Hampshire Department of Health & Human Services 129 Pleasant Street Concord, NH 03301-3857	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <i>John M Sullivan</i>
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**THE WHITNEY ACADEMY, INC.**

85 DR. BRALEY RD.

P.O. Box 619

EAST FREETOWN, MA 02717

TELEPHONE: (508) 763-3737

FACSIMILE: (508) 763-4200

**MISSION STATEMENT**

Whitney Academy's mission is to:

- Provide empirically based, state of the art, cost effective, quality services to our students
- Provide residential, educational and treatment environments that are as "Normal" and "Homelike" as is possible, given the needs of the students we serve
- Treat students with dignity, respect, care and compassion
- Provide staff with opportunities for personal and professional growth
- Treat staff as valued colleagues who have something to contribute
- Establish a working environment that promotes creativity and recognizes and acknowledges the staff's contribution to the students and to the organization
- Maintain an organization that is ethical, trustworthy, intellectually challenging and one that fosters a sense of pride



"EDUCATION AND TREATMENT IN A CARING ENVIRONMENT"

**THE WHITNEY ACADEMY, INC.**

**Financial Statements  
Year Ended June 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Whitney Academy, Inc.  
East Freetown, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Whitney Academy, Inc. (a Massachusetts nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT**  
**(continued)**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Leonard, Mulherin & Greene, P.C.*

LEONARD, MULHERIN & GREENE, P.C.  
Braintree, Massachusetts

November 19, 2021



**THE WHITNEY ACADEMY, INC.****Statement of Financial Position**

June 30, 2021

*(with comparative totals for 2020)*

	2021			2020
	Current Operations	Plant	Total	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,224,282	\$ -	\$ 3,224,282	\$ 2,902,616
Accounts receivable	2,152,933	-	2,152,933	1,488,387
Prepaid expenses	154,575	-	154,575	96,090
Funds held by trustee, current portion	-	-	-	219,843
<b>Total current assets</b>	<b>5,531,790</b>		<b>5,531,790</b>	<b>4,706,936</b>
<b>PROPERTY AND EQUIPMENT,</b>				
at cost, less accumulated depreciation	-	4,929,227	4,929,227	5,068,056
<b>OTHER ASSETS</b>				
Funds held by trustee, net of current portion	-	-	-	274,332
<b>Total assets</b>	<b>\$ 5,531,790</b>	<b>\$ 4,929,227</b>	<b>\$ 10,461,017</b>	<b>\$ 10,049,324</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 210,154	\$ -	\$ 210,154	\$ 136,519
Accrued expenses	1,722,775	-	1,722,775	1,301,442
Deferred revenue	-	-	-	123,599
Loan payable - bond, current portion	-	-	-	120,000
Notes payable, current portion	-	88,427	88,427	541,332
Capital lease obligations, current portion	-	13,330	13,330	15,086
Massachusetts surplus revenue obligation	134,536	-	134,536	134,536
Other	29,435	-	29,435	21,354
<b>Total current liabilities</b>	<b>2,096,900</b>	<b>101,757</b>	<b>2,198,657</b>	<b>2,393,868</b>
<b>LONG-TERM LIABILITIES</b>				
Loan payable - bond, net of current portion	-	-	-	1,731,219
Notes payable, net of current portion	-	2,500,090	2,500,090	2,617,445
Capital lease obligations, net of current portion	-	5,717	5,717	19,046
<b>Total long-term liabilities</b>	<b>-</b>	<b>2,505,807</b>	<b>2,505,807</b>	<b>4,367,710</b>
<b>Total liabilities</b>	<b>2,096,900</b>	<b>2,607,564</b>	<b>4,704,464</b>	<b>6,761,578</b>
<b>COMMITMENTS AND CONTINGENCIES (Notes 10 and 12)</b>				
<b>NET ASSETS</b>				
Without donor restrictions	3,434,890	2,321,663	5,756,553	3,287,746
<b>Total net assets</b>	<b>3,434,890</b>	<b>2,321,663</b>	<b>5,756,553</b>	<b>3,287,746</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,531,790</b>	<b>\$ 4,929,227</b>	<b>\$ 10,461,017</b>	<b>\$ 10,049,324</b>

The accompanying notes are an integral part of these financial statements.

**THE WHITNEY ACADEMY, INC.**

Statement of Activities  
 Year ended June 30, 2021  
 (with comparative totals for 2020)

	2021	2020
	Without Donor Restrictions	
<b>REVENUE, SUPPORT AND GAINS</b>		
Tuition and program service fees	\$ 13,581,923	\$ 12,277,863
Contributions and grants	578,056	10
Interest income	6,499	8,220
Other income	20,691	27,591
<b>Total revenue, support and gains</b>	<b>14,187,169</b>	<b>12,313,684</b>
<b>EXPENSES</b>		
<b>Program Services</b>		
Residential School	12,222,818	11,080,492
<b>Supporting Services</b>		
Management and general	1,295,041	1,514,877
<b>Total expenses</b>	<b>13,517,859</b>	<b>12,595,369</b>
<b>CHANGE IN NET ASSETS BEFORE OTHER GAIN (LOSS)</b>	<b>669,310</b>	<b>(281,685)</b>
<b>OTHER GAIN (LOSS)</b>		
Gain on extinguishment of debt	1,909,100	-
Loan modification - acquisition costs write off	(109,603)	-
<b>Total other gain (loss)</b>	<b>1,799,497</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,468,807</b>	<b>(281,685)</b>
<b>NET ASSETS, beginning of year</b>	<b>3,287,746</b>	<b>3,569,431</b>
<b>NET ASSETS, end of year</b>	<b>\$ 5,756,553</b>	<b>\$ 3,287,746</b>

The accompanying notes are an integral part of these financial statements.

**THE WHITNEY ACADEMY, INC.****Statement of Functional Expenses**

Year ended June 30, 2021

*(with comparative totals for 2020)*

	2021			2020
	Program Services - Residential School	Management and General	Total	Total
Employee compensation and related	\$ 10,128,818	\$ 968,393	\$ 11,098,211	\$ 10,376,048
Occupancy	565,971	34,652	600,623	561,002
Other program/operating	1,120,401	425	1,120,826	1,014,747
Administrative	131,884	271,991	403,875	344,088
Total expenses before depreciation	11,948,074	1,275,461	13,223,535	12,295,885
Depreciation	274,744	19,580	294,324	299,484
<b>Total expenses</b>	<b>\$ 12,222,818</b>	<b>\$ 1,295,041</b>	<b>\$ 13,517,859</b>	<b>\$ 12,595,369</b>

*The accompanying notes are an integral part of these financial statements.*

**THE WHITNEY ACADEMY, INC.**

## Statement of Cash Flows

Year ended June 30, 2021

*(with comparative totals for 2020)*

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,468,807	\$ (281,685)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	294,324	299,484
Amortization of bond issue costs and discount	9,697	11,637
Amortization of deferred financing fees	-	180
Loan modification - acquisition costs write off	109,603	-
Gain on extinguishment of debt	(1,909,100)	-
(Increase) decrease in asset accounts		
Accounts receivable	(664,546)	(204,552)
Prepaid expenses	(58,485)	(3,727)
Increase (decrease) in liability accounts		
Accounts payable	73,635	(15,417)
Accrued expenses	421,333	314,197
Deferred revenue	(123,599)	123,599
Other liabilities	8,081	8,924
<b>Net cash provided by (used in) operating activities</b>	<b>629,750</b>	<b>252,640</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(143,065)	(34,111)
<b>Net cash provided by (used in) investing activities</b>	<b>(143,065)</b>	<b>(34,111)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on loan payable - bond	(574,881)	(115,000)
Principal payments on notes payable	(125,664)	(139,040)
Payments on capital lease obligations	(15,085)	(13,668)
Proceeds from note payable	56,436	1,909,100
<b>Net cash provided by (used in) financing activities</b>	<b>(659,194)</b>	<b>1,641,392</b>
Net increase (decrease) in cash and cash equivalents	(172,509)	1,859,921
<b>Cash, cash equivalents and restricted cash, beginning of year</b>	<b>3,396,791</b>	<b>1,536,870</b>
<b>Cash, cash equivalents and restricted cash, end of year</b>	<b>\$ 3,224,282</b>	<b>\$ 3,396,791</b>
<b>SUPPLEMENTAL DISCLOSURE (Note 13)</b>		
Cash paid for interest	\$ 255,407	\$ 225,955

The accompanying notes are an integral part of these financial statements.

**THE WHITNEY ACADEMY, INC.**

Notes to Financial Statements  
June 30, 2021

**1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*****Nature of Business***

The Whitney Academy, Inc. (the "Organization") is a nonprofit corporation organized under the laws of the Commonwealth of Massachusetts. The Organization was created to provide education and treatment for developmentally disabled and mentally ill children and adults up to age 22.

***Basis of Accounting***

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

***Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Cash, Cash Equivalents and Restricted Cash***

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less, excluding escrow accounts held by the trustee, to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Statement of Financial Position to the sum of those amounts reported in the Statement of Cash Flows as of June 30:

	2021	2020
Cash and cash equivalents	\$ 3,224,282	\$ 2,902,616
Funds held by trustee, current portion	-	219,843
Funds held by trustee, net of current portion	-	274,332
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 3,224,282</b>	<b>\$ 3,396,791</b>

***Custodial Funds Held***

The Organization acts as a fiduciary with respect to certain personal client funds it receives as a representative payee. Custodial funds are not the property of the Organization and are, therefore, reported on the Statement of Financial Position as an asset with an offsetting liability.

***Accounts Receivable***

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. 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 did not record a valuation allowance as of June 30, 2021 and 2020.

**THE WHITNEY ACADEMY, INC.**

Notes to Financial Statements  
June 30, 2021

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****Fair Value Measurements***

The Organization applies the provisions of GAAP for fair value measurements of financial assets and financial liabilities, and for fair value measurements of non-financial items that are recognized and disclosed at fair value in the financial statements on a recurring basis. These provisions define fair value as the price that would be received in selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These provisions also establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Application of these provisions has not resulted in any change in the measurement of the carrying value of the Organization's financial assets or liabilities.

***Property and Equipment***

Property and equipment are recorded at cost on the date of acquisition or estimated fair market value on the date of donation. Depreciation of property and equipment and amortization of assets acquired under capital lease agreements is provided over the estimated useful life of the respective assets on a straight-line basis as follows:

	Life in Years
Building and building improvements	20-40
Land improvements	20
Leasehold improvements	5-10
Motor vehicles	3-5
Furniture and equipment	3-10

Expenditures for major renewals and improvements are capitalized, while maintenance and repairs are expensed as incurred.

***Debt Issuance Costs***

The Organization presents debt issuance costs related to a recognized debt obligation as a direct reduction of the carrying amount of the related debt on the Statement of Financial Position. Additionally, amortization of the debt issuance costs is reported as interest expense.

***Paycheck Protection Program Loan***

The Organization accounted for its Paycheck Protection Program ("PPP") loan (see Note 7) as a financial liability in accordance with GAAP. As provided for in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), the Paycheck Protection Program Flexibility Act, and the related guidance published by the U.S. Small Business Administration ("SBA"), the PPP loan and related accrued interest was partially or fully forgivable as long as the Organization used the loan proceeds for certain qualified expenses, maintained employees and salary/wages amounts at certain required levels and the SBA approved an application submitted for forgiveness. On March 30, 2021, the Organization was notified by its bank and the SBA that the full balance of the loan totaling \$1,909,100 was forgiven. As a result, the Organization recognized the gain on extinguishment of debt in the amount of \$1,909,100 during the year ended June 30, 2021.

***Net Assets***

Net assets, revenue, support, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**THE WHITNEY ACADEMY, INC.**

Notes to Financial Statements  
June 30, 2021

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Net Assets (continued)***

*Net Assets Without Donor Restrictions* – Consist of net assets available for use in general operations that are not subject to donor-imposed restrictions.

*Net Assets With Donor Restrictions* – Consist of net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or the expending of the net assets for particular purposes as specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the principal is to be maintained in perpetuity (donor-restricted endowment) and only the income from such net assets may be expended as specified by the donor or in accordance with the applicable Massachusetts law. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released to net assets without donor restrictions when the assets are placed in service. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. The Organization had no net assets with donor restrictions as of June 30, 2021 and 2020.

***Revenue Recognition and Surplus Revenue Retention***

Students of the Organization are supported by state and municipal government agencies both within and outside Massachusetts. Therefore, the Organization is subject to the regulations and rate formulas of the Commonwealth of Massachusetts Executive Office for Administration and Finance Operational Services Division ("OSD"). Revenue is recorded at the Organization's rate of reimbursement as certified by OSD. Tuition revenue is recognized during the year in which the related services are provided to clients. Revenue received in advance of the delivery of services is recorded as deferred revenue.

Under the applicable Commonwealth of Massachusetts regulation, the Organization may not retain an annual surplus in excess of 20% of its Commonwealth of Massachusetts program service fee revenues. A surplus in excess of the annual 20% limit is subject to recoupment or may be used to reduce future Commonwealth of Massachusetts program service fees by the Commonwealth of Massachusetts. During the year ended June 30, 2021, the Organization did not have an annual surplus related to its Commonwealth of Massachusetts program service fees in excess of the 20% limit allowed under the applicable regulation. Non-Commonwealth of Massachusetts revenues are not subject to the regulation but may be subject to other regulatory or contractual limitations.

***Contributions***

Contributions are recognized at the earlier of when received or when the donor declares an unconditional promise to give cash or other assets to the Organization. Conditional promises to give, that is, those with a measurable performance or other barriers to be overcome before the Organization is entitled to the assets transferred or promised, and a right of return or release, are not recognized as contributions revenue until the conditions have been substantially met or waived.

**THE WHITNEY ACADEMY, INC.**

Notes to Financial Statements  
June 30, 2021

**1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Advertising***

Advertising costs, which relate primarily to employee recruitment and promotional materials, are expensed as incurred, and totaled \$65,891 and \$57,464 during the years ended June 30, 2021 and 2020, respectively.

***Functional Allocation of Expenses***

The costs of programs and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include employee compensation and related (consisting of salaries, payroll taxes and benefits), occupancy, various other program and administrative costs, and depreciation. These expenses have been allocated on the basis of estimated time and effort, square footage as well as other reasonable allocation methods.

***Tax Status***

The Organization is qualified under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal and state income taxes. The Organization is not a private foundation within the meaning of Section 509(a) of the Code. It is an educational organization as described in Sections 509(a)(1) and 170(b)(1)(A)(ii) of the Code.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2018.

***Subsequent Events***

The Organization evaluated events that occurred after June 30, 2021, the date of the Statement of Financial Position, but before the date the financial statements were available to be issued, November 19, 2021, for potential recognition or disclosure in the financial statements. The Organization did not identify any subsequent events that had a material effect on the accompanying financial statements.

***Comparative Financial Information***

The financial statements include certain prior year summarized comparative information in total. This information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**2 - LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of its programs as well as the conduct of services undertaken to support those activities to be general expenditures.



**THE WHITNEY ACADEMY, INC.**

Notes to Financial Statements  
June 30, 2021

**2 - LIQUIDITY AND AVAILABILITY (continued)**

At June 30, 2021, financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date consist of the following:

Cash and cash equivalents	\$ 3,224,282
Accounts receivable	2,152,933
<b>Total financial assets available within one year</b>	<b>\$ 5,377,215</b>

The Organization also has a line of credit (see Note 9) that allows for additional borrowings of up to \$900,000 for working capital purposes. There were no amounts drawn under this arrangement during the years ended June 30, 2021 and 2020.

**3 - CASH - CLIENT REPRESENTATIVE PAYEE FUNDS**

Cash and cash equivalents includes student funds provided by the Social Security Administration, other funding sources and the students' parents totaling \$28,427 and \$20,735 at June 30, 2021 and 2020, respectively. The Organization serves as a client representative payee and as such has a fiduciary responsibility over these funds and has recorded an offsetting liability that is included in other current liabilities in the Statement of Financial Position. These funds are held in separate accounts as required by the Social Security Administration.

**4 - PROPERTY AND EQUIPMENT**

At June 30, property and equipment consisted of the following:

	2021	2020
Land	\$1,132,106	\$1,132,106
Buildings and building improvements	6,741,062	6,657,657
Furniture and equipment	1,072,849	1,010,582
Motor vehicles	345,683	374,570
Leasehold improvements	197,269	197,269
Land improvements	119,986	119,986
Construction-in-progress	48,138	62,017
	9,657,093	9,554,187
Less accumulated depreciation	(4,727,866)	(4,486,131)
	<b>\$4,929,227</b>	<b>\$5,068,056</b>

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$294,324 and \$299,484, respectively.

**5 - ACCRUED EXPENSES**

At June 30, accrued expenses consisted of the following:

	2021	2020
Payroll and related	\$ 642,715	\$ 394,873
Vacation and holiday	555,695	536,487
Funding source overpayments	524,365	320,314
Interest	-	49,768
	<b>\$ 1,722,775</b>	<b>\$ 1,301,442</b>

**THE WHITNEY ACADEMY, INC.**

Notes to Financial Statements  
June 30, 2021

**6 – LOAN PAYABLE - BOND**

The Organization entered into a loan agreement (the "Agreement") with the Massachusetts Development Finance Agency ("Mass Development") and a Trustee, to issue a 30-year revenue bond with an average yield of 8.09% for \$3,090,000 in 2000. The loan proceeds were made available for the acquisition and renovation of a 7.23 acre tract of land and an existing facility, the construction of an addition to the facility and to fund costs of issuance.

The Organization made periodic payments of principal and interest to the Trustee during the year. The Agreement was secured by all real and personal property owned by the Organization. In April 2021, the loan payable-bond was fully repaid with new note payable financing (see Note 7)

The Organization reported interest costs on all debt obligations of the Organization (including amortization of deferred loan costs of \$4,853 and \$5,982) of \$210,492 and \$229,062 for the years ended June 30, 2021 and 2020, respectively.

**7 – NOTES PAYABLE**

At June 30, notes payable consisted of the following:

	2021	2020
Mortgage note payable to Bristol County Savings Bank (the "Bank") secured by certain real property and payable in monthly installments of principal and interest totaling \$13,436. Interest rate is equal to 4% through April 2026, at which time the interest rate will be adjusted to FHLB Boston 5 Year Classic Regular Advance Rate plus 2.75% (not less than 4%), adjusting every five years until the note's maturity in April 2041.	\$2,520,258	\$
Adjustable rate mortgage note payable the Bank, secured by certain real property and payable in monthly installments of principal and interest totaling \$2,093 through February 2019 (\$2,124 subsequent to February 2019). The interest rate was equal to the corporate base rate of the Bank plus 2% with annual adjustments through February 2019. Subsequent to February 2019, the interest rate was equal to 5.50%. The note was fully paid in April 2021 with new note payable financing.	-	68,488
Adjustable rate mortgage note payable to the Bank, secured by certain real property and payable in monthly installments of principal and interest totaling \$1,732 through February 2019 (\$1,723 subsequent to February 2019). The interest rate was equal to the corporate base rate of the Bank plus 2% with annual adjustments through February 2019. Subsequent to February 2019, the interest rate was equal to 5.50%. The note was fully paid in April 2021 with new note payable financing.	-	115,099

**THE WHITNEY ACADEMY, INC.**Notes to Financial Statements  
June 30, 2021**7 – NOTES PAYABLE (continued)**

Adjustable rate mortgage note payable to the Bank, secured by certain real property and payable in monthly installments of principal and interest totaling \$2,371 through February 2019 (\$2,351 subsequent to February 2019). The interest rate was equal to the corporate base rate of the Bank plus 2% with annual adjustments through February 2019. Subsequent to February 2019, the interest rate is equal to 5.50%. The note was fully paid in April 2021 with new note payable financing.	-	193,982
Adjustable rate mortgage note payable to the Bank, secured by certain real property and payable in monthly installments of principal and interest totaling \$2,531 through March 2019 (\$2,506 subsequent to March 2019). The interest rate was equal to the corporate base rate of the Bank plus 2% with annual adjustments through March 2019. Subsequent to March 2019, the interest rate was equal to 5.50%. The note was fully paid in April 2021 with new note payable financing.	-	217,609
Mortgage note payable to the Bank, secured by certain real property and payable in monthly installments of principal and interest totaling \$1,853 through February 2019 (\$1,745 subsequent to February 2019). Interest rate was equal to the corporate base rate of the Bank plus 2% with annual adjustments through February 2019. Subsequent to February 2019, the interest rate was equal to 5.50%. The note was fully paid in April 2021 with new note payable financing.	-	189,631
Mortgage note payable to the Bank, secured by certain real property and payable in monthly installments of principal and interest totaling \$2,874, with interest at 5%. The note was fully paid in April 2021 with new note payable financing.	-	374,661
1.00% unsecured PPP loan payable to the Bank maturing on May 4, 2022. As more fully described in Note 1, the loan was partially or fully forgivable as long as certain requirements are met. The loan was fully forgiven in March 2021.	-	1,909,100
Notes payable to various lenders at interest rates ranging from 0.9% to 12.49%, secured by certain vehicles and equipment and payable in monthly installments of principal and interest ranging from \$253 to \$642, maturing at various dates through January 2026.	<u>68,259</u>	<u>90,726</u>

**THE WHITNEY ACADEMY, INC.**Notes to Financial Statements  
June 30, 2021**7 – NOTES PAYABLE (continued)**

	2,588,517	3,159,296
Less current portion	(88,427)	(541,332)
Less unamortized deferred loan costs	-	(519)
	<b>\$2,500,090</b>	<b>\$2,617,445</b>

Long-term debt maturities are as follows for the years ending June 30:

2022	\$ 88,427
2023	78,435
2024	74,207
2025	77,860
2026	81,466
Thereafter	2,188,122
	<b>\$2,588,517</b>

**8 – CAPITAL LEASE OBLIGATIONS**

The Organization has entered into various lease obligations for certain equipment. Based on the provisions of GAAP, the leases meet the criteria of a capital lease and, accordingly, have been recorded as such.

The following is a summary of leased assets included in property and equipment at June 30:

	2021	2020
Equipment	\$59,975	\$59,975
Accumulated depreciation	(47,093)	(35,098)
	<b>\$12,882</b>	<b>\$24,877</b>

Future minimum lease payments required under capital leases and present values for the years ending June 30 are as follows:

2022	14,549
2023	5,899
Total minimum lease payments	20,448
Less interest	(1,401)
Present value of minimum lease payments	<b>\$19,047</b>

The present value of minimum lease payments is recorded in the Statement of Financial Position as follows:

Capital lease obligations, current portion	\$13,330
Capital lease obligations, less current portion	5,717
Present value of minimum lease payments	<b>\$19,047</b>

**THE WHITNEY ACADEMY, INC.**

Notes to Financial Statements  
June 30, 2021

**9 – LINE OF CREDIT**

The Organization maintained a line of credit agreement with a borrowing limit of \$900,000 to support the Organization's short-term working capital needs. Payments of interest on the outstanding principal are due monthly at the bank's corporate base rate plus 1% with a floor of 4% (4.25% as of June 30, 2021 and 2020) with any principal balance due on demand. The line of credit has a maturity date of December 31, 2021, subject to renewal. Upon maturity, the Organization's management expects the line of credit to be renewed for another year. At June 30, 2021 and 2020, there was no outstanding balance.

**10 – OPERATING LEASE COMMITMENTS**

The Organization is committed under various non-cancellable operating leases for vehicles and equipment. Future minimum payments under these leases are as follows for the years ending June 30:

2022	\$ 56,747
2023	46,794
2024	4,441
	<u>\$ 107,982</u>

The Organization's total rent expense under all operating leases for the years ended June 30, 2021 and 2020 was \$74,962 and \$74,191, respectively.

**11 – RETIREMENT PLAN**

The Organization maintains an employer-sponsored Internal Revenue Service approved Group Annuity Contract Retirement Plan (the "Plan") for the exclusive benefit of its employees and their beneficiaries. Employer contributions to the Plan by the Organization are discretionary and determined annually by the Organization's Board of Directors. Contributions are allocated among all employees with one or more years of service based on length of service. Only qualifying employees employed on the last day of the fiscal year are entitled to their allocable share of the contribution.

There were no discretionary contributions by the Organization for the years ended June 30, 2021 and 2020.

**12 – CONTINGENCIES AND CONCENTRATION OF CREDIT RISK*****Contingencies***

On March 13, 2020, a national emergency was declared in the United States as a result of the COVID-19 pandemic. This ongoing public health crisis has had a significant and wide-ranging effect on the United States and local economies. Although management continues to actively assess and respond to the pandemic and related government orders for public health and safety, the longer-term impact of the pandemic on the Organization's operations and financial position cannot be reasonably determined at this time.

In accordance with the terms of its contracts with the Commonwealth of Massachusetts, the records of the Organization are subject to audit. Therefore, the Organization is contingently liable for any disallowed costs. Management believes that any adjustments that might result from such an audit would be immaterial.

**THE WHITNEY ACADEMY, INC.**

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Notes to Financial Statements  
June 30, 2021

**12 – CONTINGENCIES AND CONCENTRATION OF CREDIT RISK (continued)**

***Concentration of Credit Risk***

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

A significant portion of the Organization's revenue and receivables are from purchasing agencies and cities and towns within the Commonwealth of Massachusetts, other New England states, the State of New York, the State of Maryland and the State of Alabama.

**13 – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

During the years ended June 30, 2021 and 2020, the Organization acquired assets by utilizing note payable agreements totaling \$12,430 and \$50,966, respectively.

During the year ended June 30, 2021, the Organization refinanced loan payable-bond and notes payable in the amount of \$1,395,119 and \$1,078,445, respectively, with a new note payable agreement.

**The Whitney Academy, Inc.  
Board Members**

**FY 2023**

**Kevin Marques – President and Treasurer**  
**[kmarques@whitneyacademy.org](mailto:kmarques@whitneyacademy.org)**  
**Executive Director, Whitney Academy, Inc.**

**Elizabeth A. O'Keefe, Corporate Secretary/Clerk**  
**[eokeefe@whitneyacademy.org](mailto:eokeefe@whitneyacademy.org)**  
**Business Manager, Whitney Academy, Inc.**

**Judy Mulrooney, Board Member**  
[REDACTED]  
**Director of Special Education, Taunton High School**

**Stephen Potts, Board Member**  
[REDACTED]

**Neil Kolikof, Board Member**  
[REDACTED]  
**Accountant**

**Richard Wentzel, Board Member**  
[REDACTED]

**Sheila Haight Harmon, Board Member**  
[REDACTED]

# Kevin Creedon



**Education**

Boston College  
ABD Doctoral Program in Counseling Psychology  
Chestnut Hill, MA.

New York University  
Master of Arts in Counseling Psychology, June 1983  
New York, NY

Columbia University  
Bachelor of Arts in Psychology, May 1975  
New York, NY

**Academic Appointments**

Guest Lecturer, Advanced Program for Trauma Treatment  
Simmons School of Social Work, 2008-present

Guest Lecturer, Trauma Certificate Program  
Boston University School of Social Work, 2004 - 2008.

Instructor in Psychology, Department of Psychiatry  
Harvard Medical School at Cambridge Hospital, January 1988 - June 1990

Teaching Fellow, Department of Counseling Psychology  
Boston College, September 1984 - May 1985

**Professional Experience**

September 1999 – Present      *Whitney Academy*      E. Freetown, MA  
**Director of Assessment and Research**  
Develop assessment protocols to assist in treatment planning and outcome measurement  
Identify and develop research topics related to our treatment population  
Provide assessment and clinical treatment to adolescents with sexual behavior problems  
Provide staff training, orientation, and consultation  
Serve as a member of the executive administrative group developing policy and procedures

January 1990 – Present      *Private Practice*      Wrentham, MA  
**Psychotherapist**  
Consultation and training in the areas of sexual offenders and trauma-reactive children  
Evaluation and treatment of adults, adolescents, and children  
Treatment specialties in sexual abuse, trauma, and domestic violence

May 1997 – September 1999      *Wayside Youth and Family*      Framingham, MA  
**Director of Sexual Offender Services**  
Evaluation and treatment of sexual offenders and trauma-reactive children  
Training and consultation of staff  
Program development and coordination of services

September 1989 - May 1997      *Y.O.U. Inc*      Worcester, MA  
**Staff Clinician**  
Assessment and treatment of juvenile sex offenders and their families  
Developed program for trauma-reactive children  
Supervision and training of staff



September 1987 - August 1989    *Forensic Unit for Women*    Waltham, MA  
Clinical Director

Developed clinical program for first forensic unit for women in the state  
Responsibilities: staff hiring, training, supervision, and program development

September 1986 - August 1987    *Worcester Youth Guidance*    Worcester, MA  
Psychology Intern

Full time APA internship in Clinical Psychology  
Training in family therapy through the WYGC Family Training Center  
Training placement at U.Mass Medical Center Dept. of Pediatrics

July 1985 - August 1987    *Somerville Mental Health*    Somerville, MA  
Clinician

Member of the Child Abuse and Neglect Treatment Team

July 1985 - August 1986    *Cambridge Hospital*    Cambridge, MA  
Clinician, Child Abuse Treatment Team

Assessment and treatment of sexual abuse victims, perpetrators, and families  
Training and consultation to hospital staff and the Department of Social Services

September 1983 - June 1985    *Coastal Community Counseling*    Braintree, MA  
Clinician, Sexual Abuse Treatment Team

Evaluation and treatment of sexual abuse victims, perpetrators, and families  
Co-led first outpatient juvenile sex offender group in Massachusetts

February 1983 - June 1984    *Boston City Hospital*    Boston, MA  
Counselor, Adolescent School Health Program

Individual and group counseling at two Boston public middle schools

September 1982 - January 1983    *N.Y.U. Counseling Center*    New York, NY  
Counselor

January 1979 - September 1981    *Coastal Community Counseling*    Braintree, MA  
Residential House Manager (6/80 - 9/81)  
Emergency Service Staff (1/80 - 9/81)  
Counselor, Adult Day Treatment Program (1/79 - 6/80)

March 1977-December 1978    *Penikese Island School*    Woods Hole, MA  
Staff

Residential program serving court referred delinquent males

#### **Publications**

Creeden, K. (2013). Taking a Developmental Approach to Treating Juvenile Sexual Behavior Problems. *International Journal of Behavioral Consultation and Therapy*, 8(3-4); pp 12-16.

Longo, R., Prescott, D., Bergman, J. and Creeden, K. (2012). *Current Perspectives and Applications in Neurobiology: Working With Young Persons Who Are Victims and Perpetrators of Sexual Abuse*. Holyoke, MA: NEARI Press.

Matthew, J., Fisher, D. and Creeden, K. (2012). Special Issue: Children and Young People With Harmful Sexual Behavior. *Journal of Sexual Aggression*, 18, 1.

Creeden, K. (2011). Trauma, Attachment, and Neurodevelopment: Implications for Treating Sexual Behavior Problems. In B.Schwartz (Ed.), *The Handbook of Sex Offender Treatment*. Kingston, NJ: Civic Research Institute.

Bergman, J. and Creeden, K. (2011). Attachment is a Verb: Experiential Treatment for Addressing Self-Regulation and Relationship Issues in Boys with Sexual Behavior Difficulties. In C. Haen (Ed.), *Engaging Boys In Treatment: Creative Approaches To The Therapy Process*. New York, NY: Routledge.

Creeden, K. (2009). How trauma and attachment can impact neurodevelopment: Informing our understanding and treatment of sexual behavior problems. *Journal of Sexual Aggression*, 15, 3, 261-274.

Creeden, K. (2006). Trauma and Neurobiology: Considerations for the Treatment of Sexual Behavior Problems in Children and Adolescents. In R. Longo and D. Prescott (Eds.), *Current Perspectives: Working With Sexually Aggressive Youth and Youth With Sexual Behavior Problems*. Holyoke, MA: NEARI Press.

Creeden, K. (2005). Trauma, Attachment and Neurodevelopment: Implications for Treating Sexual Behavior Problems. In B. Schwartz (Ed.), *The Sexual Offender, Volume V*. Kingston, NJ: Civic Research Institute.

Creeden, K. (2005). Integrating Trauma and Attachment Research into the Treatment of Sexually Abusive Youth. In M.C. Calder (Ed.), *Children and young people who sexually abuse: New theory, research, and practice developments*. Lyme Regis, Dorset: Russell House Publishing.

**Professional  
Affiliations**

**Association for the Treatment of Sexual Abusers (ATSA)**  
Member of Ethics Committee 2005-present  
Member of Adolescent Treatment Guidelines Committee 2011-present

**American Psychological Association (APA)**

**Massachusetts Adolescent Sex Offender Coalition (MASOC)**  
Board of Directors: 2006-present

**American Professional Society on the Abuse of Children (APSAC)**  
Massachusetts Chapter: Board of Directors 1995 - 1998  
Board President 1997 - 1998

**Licensure**

Mental Health Counselor LMHC # 1588

**References**

Available upon request

**Evan Crowley** 

**Education**

**American International College**

CAGS Administration of Special Education conferred August 2020

**American International College**

Master of Education, Moderate Disabilities Degree conferred August 2015

**Westfield State College**

Bachelor of Education, History conferred December 2012

**Massachusetts Teaching Licenses and Credentials MERID 53868544**

History (5-8)	Initial 03/30/12
History (8-12)	Initial 03/30/12
Severe Disabilities (All Levels)	Initial 02/14/17
SEI-Teacher	Endorsement 02/11/20
SEI Administrator	Endorsement 07/31/2020
Administrator of Special Education	Initial 8/24/2020

**Teaching and Related Experiences**

**Taunton High School**

*Special Educator, August 2019-Present*

I currently am a Special Educator assigned to Taunton High School where I am in the role of a Substantially Separate and Inclusionary teacher focusing on 8<sup>th</sup> Grade Math. In this position my role is to make sure that the IEP and 504s of the Special Education students in the class is being followed and the students are receiving all of their accommodations and modifications. Along with the classroom responsibilities, I am also functioning as a Special Education Liaison for over twenty students grades 8-12. In this role my responsibility is to schedule annual IEP meetings, inform teachers of their accommodations/modifications if the class does not have a Special Educator, complete IEP progress reports, and write and ensure the implementation of IEPs after Annual Review meetings or Reevaluation meeting occurs.

**Benjamin Friedman Middle School**

*Special Educator, T.L.C. 7<sup>th</sup> Grade, March 2016 – June 2019*

I worked as a Special Educator in a Therapeutic Learning Classroom. I was responsible for the creation and implementation of lessons across all curriculum to students who have severe social-emotional disabilities. I also was responsible for the writing and implementation of these student Individualized Education Plans. I work with the general education teachers who my students attend their general education classes to modify work as stated in their I.E.P.

**Atlantis Charter School**

*8th Grade History Teacher, August 2015 – March 2015*

I taught 8th grade history in a general education setting with a co-teacher in Fall River. I was responsible for the daily planning and implementing of lessons to general education and students with disabilities. I resigned my position to return to the Taunton Public School system to fill the vacant T.L.C. Special Education position.

**Elizabeth Pole Elementary School**

*ABA Therapist, September 2012 – June 2015*

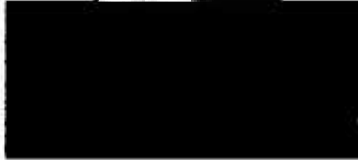
I worked in an Elementary School with 8 autistic students in a general education setting. I also work with 23 students who are in a sub-separate program that works with social-emotionally disabled students.

**Taunton Extended School Year Program**

*Special Education Teacher Summer 2015-Present*

I have been the Special Education Teacher for the middle school T.L.C. students who attend the district's Extended School Year program. During the 5 week program students are working on I.E.P. goals and also on foundational academic skills. The attending students work on retaining school routines and receive small group instruction on previous years curriculum to fill in any gaps.

**Paul DePina**



**Objective**

Seeking an opportunity to utilize career experience, skills, and education to contribute to employer objectives, profitability, and success with a company offering potential for challenge and growth.

**Education**

B.S. University of Massachusetts at Dartmouth  
Major: Humanities and Social Sciences

**Areas Of Experience**

Program Management	Human Resource Protocols	Staff Development
Recruitment/ Retention	Performance Appraisals	Budget Compliance
Event Planning/ Coordination		Coaching/ Supervision

**Employment History:**

**Whitney Academy Inc. (East Freetown, Ma)**

**Director of Staff Development and Recruitment** 2016 to Present

- Oversee the agency's on-boarding of new hires, as well as overseeing the creation and coordination of an agency internship program.
- Conducted seminars/trainings for such topics as Behaviorally Based Interviewing, Orienteer Training, and various other topics to employees throughout the agency.
- Responsible for the design, implementation, review and modification of Employee Orientation & Training Programs.
- Work with department heads to create and monitor the efficacy of HR policies and procedures.
- Ensure that agency meets and exceeds Joint Commission, DESE, and OSHA standards.

**Director of Staff Development** 2014 to 2016

- Responsible for the design, implementation, review and modification of Employee Orientation & Training Programs.
- Responsible for the development and analysis of intra-agency surveys.
- Ensure that agency meets and exceeds Joint Commission, DESE, and OSHA standards.

**Director of Recruitment** 2008 to 2014

- Advertised hard to fill positions using a wide range of sources including professional websites, print ads, and other various sources; vacancy percentage less than 3% during tenure.
- Conducted seminars/trainings for such topics as Behaviorally Based Interviewing, Orienteer Training, and various other topics to employees throughout the agency.
- Responsible for networking, attending public relations events, community outreach, and coordinating internships with area colleges/universities.

Assistant Residential Director

2001 to 2008

- Coordinated all department recruitment, training, supervision, student community integration, Special Olympic activities, and all student IEP/ISP completion.
- Functioned as the sole agency recruiter, while completing all residential administrator responsibilities.
- Successfully filled and placed viable candidates in position; vacancy percentage less than 5% during tenure.
- Conducted Leadership Training for all new managers/supervisors within the Residential Depart.

Unit Director

2000 to 2001

- Ensure the safety of students and staff at the residence
- Ensure student to staff ratios and proper monitoring procedures are followed
- Maintain a therapeutic environment at all times
- Plan and allocate funds for community outings on a weekly basis.
- Overseeing and evaluating the performance of Shift Supervisors.
- Biweekly scheduling of residential staff as well as scheduling sufficient student-meeting coverage.
- Ensure the constant supervision of students and the implementation of program services that take place within the residential environment.
- Assures that Daily Activity Schedules are up-to-date and implemented.

Assistant Unit Director

1996 to 2000

- All Case Management responsibilities for Unit were completed, editing and completion of all daily and monthly reports.
- Ensure the constant supervision of students and the implementation of program services that take place within the residential environment.
- Responsible for Budget Compliance as well for the monitoring of adjunct professional staff.
- Assures that Daily Activity Schedules are up-to-date and implemented.
- Facilitate groups on social skills, self-esteem, anger management, teamwork, and adventure-based initiatives.

Shift Supervisor

1994 to 1996

- Maintain a therapeutic environment at all times.
- Maintain Med-Pass certification as well as CPR and First-Aid.
- Utilized verbal and physical crisis intervention as well as a vast knowledge of this population's medical needs from adverse reactions.
- Ensure student to staff ratios and proper monitoring procedures are followed.
- Attend student ISP, quarterly and annual meetings.
- Facilitate post-shift debriefings.
- Implementation of therapeutic interventions and behavior management plans.

Additional Skills/Interests:

Fluent in Portuguese  
CPI / TCI Instructor

Bully & Cyber Bullying Prevention Trainer  
Youth Basketball Coach

## Joshua Ferreira



### Objective

I am currently seeking the position of Residential Coordinator that has recently become available. I am currently the 1st shift Coordinator in the education department. My intentions are to continue to grow within Whitney Academy both professionally and personally.

### Experience

September 2020 - Present

**The Whitney Academy - 1st Shift Coordinator**

July 2018 - September 2020

**The Whitney Academy - Unit Director**

June 2018 - July 2018

**The Whitney Academy - Assistant Unit Director**

January 2018 - June 2018

**The Whitney Academy - Relapse Prevention Technician II**

August 2017 - January 2018

**The Whitney Academy - Assistant Shift Unit Supervisor**

January 2017 - August 2018

**The Whitney Academy - Relapse Prevention Technician**

### Education

September 2013 - December 2016

**Fitchburg State University**

September 2009 - June 2013

**Dighton-Rehoboth Regional High School**

- Graduated with Honors

**Skills**

- CPR and First-Aid certified
- Experience administering medications and treatments to students as needed.
- Multiple letters of commendation from The Whitney Academy speaking to strong work ethics and leadership skills.
- Effective leadership and communication skills.
- Experience attending both internal and external meetings.
- Case management experience.
- Experience with training and supervision of direct care staff and supervisors.
- Experience developing bi-weekly schedules of direct care staff and supervisors to ensure that ratios are maintained.
- Experience handling on-call responsibilities on a regular basis.



# KEVIN S. MARQUES

## PROFILE: NON-PROFIT LEADERSHIP

- *MBA, MSP, CPA, Doctorate (Candidate) Educational Leadership*

Highly accomplished individual with passionate commitments to making a difference, professional development, and public service. Solutions-driven strategist with proven ability to develop vision and execute on goals. Effective leader, adept at inspiring others, demonstrating superior decision-making skills, and gaining stakeholder support for new initiatives. Extensive financial, business, and technical acumen complemented by unique administrative, academic, and clinical knowledge.

### CORE COMPETENCIES

- Strategic Planning
- Risk Mitigation
- Executive Reporting
- Change Management
- Finance/Accounting/Budgeting
- Staffing/Training/Leadership
- Presentations/Negotiations
- MIS Management/Support
- Operations Management
- Policy/Program Development
- Project Management
- Community Leadership

### PROFESSIONAL EXPERIENCE

**Whitney Academy, East Freetown, MA** **2009 – Present**  
*State-of-the-art, not-for-profit residential treatment center accredited by the Joint Commission*

**Executive Director** (2019- Present)

**Assistant Executive Director** (2018 – 2019)

**Chief Financial Officer** (2015 – 2018)

**Assistant Controller** (2012 – 2015)

**A/R Clerk** (2011 – 2012)

**A/P Clerk** (2009 – 2010)

#### **Summary of Responsibilities:**

- Manage financial, accounting, and regulatory operations spanning 5 residential, school, and administrative facilities. Control organizational cash flow and capital expenditures.
- Prepare and administer annual \$10M+ budget and UFR, approved by Board of Directors.
- Conduct financial planning and analysis, with a focus on cost control and risk mitigation.
- Design, implement, and monitor internal controls and other agency-wide policies.
- Review and audit all accounting transactions for integrity and accuracy.
- Generate financial statements and analytical reports for external auditors.
- Oversee Management Information Systems, including Accounting and Payroll software (Blackbaud & ADP), VPN, VMWare, firewalls, wi-fi, and security.
- Provide status reports, key findings, and recommendations to Executive Director.

#### **Selected Financial & Business Achievements:**

- **Significantly increased profitability** through expert forecasting and proactive monitoring.
- **Strengthened internal controls** to prevent fraud and conflict of interest.
- **Doubled cash balances**, improved cash flow, and maintained superior cash position.
- **Developed budgetary allocation** for multiple departments including Residential, Education, Administration, Medical, and Maintenance.
- **Proposed and secured buy-in** to bring outsourced Payroll in-house, saving \$20K annually.
- **Generated cash savings** that enabled purchase of 2-3 properties for residential, administrative, and school expansion; identified space and negotiated a bargain price.
- **Financial Project Leader** on integration of Payroll into centralized HR/ADP system.
- **Created a disaster recovery program** that identified vulnerabilities, and implemented action plans to reduce risk of down time and lost revenue.

#### **Selected Leadership Achievements:**

- **Earned rapid promotions** from an individual contributor to leadership roles.
- **Informally held joint responsibility** as Co-Executive Director during leave of absence.
- **Stepped up to manage MIS function** and became a "go to" resource for technology users; trained and provided leadership to IT coordinator.
- **Advisor to Executive Director and HR Director** on pending or possible litigation actions.

- Initiated weekly/bi-weekly meetings with key departments, including Admissions and Recruiting, to better understand their operations, needs, and expenses.
- Managed 3 employees at peak: A/R Clerk, A/P Clerk, and Accounting Supervisor.

Kévin S. Marques | [REDACTED] | Page 2 of 2

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## COMMUNITY LEADERSHIP

**MAAPS (Massachusetts Association of 766 Approved Private Schools) 2015 – Present**

### Professional Development Group Committee Member

Contributed to the development and implementation of professional development activities for all 5 members: Executive Managers, CFO/Business Managers, Education Directors/Principals, and Clinical/Residential Directors.

- Planned and orchestrated 6 workshops annually, each attended by 20-60 leaders.
  - Screened presenters to determine competency in specific field.
  - Optimized workshop attendance through cost-effective pricing and interactive training.
  - Measured effectiveness of workshops and assessed feedback for expectations.
  - Retrenched program budget to receive maximum results.
- 

## VOLUNTEER ACTIVITIES

Active Red Cross Volunteer  
Income Tax Assistance (VITA)  
School on Wheels

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## TECHNICAL SKILLS

MS Office Suite (Word & Excel), Adobe Photoshop, QuickBooks, Blackbaud, Microsoft Dynamics SL (Solomon), Crystal Reports, ADP Payroll, SharePoint, WebEx, PC Repair, VPN, Security, Firewalls

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## CERTIFICATIONS

CPA, Certified Public Accountant - Massachusetts  
Massachusetts Notary Public  
Training for Intervention Procedures (TIPS)

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## EDUCATION

Doctorates in Educational Leadership, 2017 – Present; anticipated graduation, 2020  
Southern New Hampshire University, Hooksett, NH

General Master Level Psychology Courses, 2017 – Present  
Grand Canyon University, Phoenix, AZ

MBA, Masters in Business Administration, GPA 3.778/4.00  
University of Massachusetts Dartmouth, North Dartmouth, MA, 2009-2011

Bachelor of Science, Accounting, Magna Cum Laude, Major GPA 3.820/4.00  
University of Massachusetts Dartmouth, North Dartmouth, MA, 2005-2009

Bilingual: Fluent in English & Portuguese

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# MATTHEW J. MIRANDA



## OBJECTIVE

To further my career as a professional leader and effectively lead the Whitney Academy in the mission established by its founders.

## EXPERIENCE

August, 1990-Present Whitney Academy, Inc.

*Director of Residential Services* May, 1997-Present

- Manage and supervise department of over 80 employees
- Ensured compliance with all state and federal regulations
- Lead and oversee all facets of residential programming
- Recruited, interviewed and hired all residential staff

*Residential Supervisor/Manager* October, 1993-May, 1997

- Coach, supervise and train staff
- Monitor physical plant for cleanliness and safety
- Co-lead Student Therapy Groups
- Attend all student quarterly treatment review meetings
- Ensure implementation of policies and procedures
- Inventory and purchase all needed food and residential items

*Direct Care Staff* August, 1990-October, 1993

- Function as a Healthy Role-Model
- Ensure student safety
- Provide life skills instruction
- Implement behavior management program

## EDUCATION

January, 1999 Cambridge College Cambridge MA

- M.Ed.
- Integrated Studies

**ELLEN PERRY-MARTIN**



**OBJECTIVE**

To become a key member of an organization using proven professional attitude and organizational skills.

**EMPLOYMENT:**

2002-PRESENT, *Safety Program Consultants, Inc.*, Taunton, MA

**Administrative Assistant**

- Administrative Secretary to the President and Vice President of the company
- Daily use of Microsoft Word, Excel, and Outlook
- Responsible for all student files, including keeping all immunizations current
- HIPAA compliance for both staff and student information
- Maintaining a schedule of two to four paramedic programs at any given point in time
- Scheduling staff to teach paramedic programs and CPR and First Aid programs
- Answering a multi-line phone system
- Greeting people at the front desk

1999-2003, *BERTUCCI'S BRICK OVEN PIZZERIA*, TAUNTON, MA

**Server/Certified Trainer**

- Greeting guests
- Taking orders and entering them into a computer system
- Delivering and checking the quality of food and drink
- Maintaining responsibility for all monies received
- Maintaining the policy of 100% guest satisfaction
- Keeping all areas of the restaurant clean and ready for the next shift
- Training new servers to company policies and standards

1998-1999, *Curley's Pub*, Taunton, MA

**Server**

- Greeting guests
- Taking orders and entering them into a computer system
- Delivering and checking the quality of food and drink
- Maintaining responsibility for all monies received
- Keeping all areas of the restaurant clean and ready for the next shift

1992-1997, *Bertucci's Brick Oven Pizzeria*, Taunton, MA and Brockton, MA

**Bus Person, Hostess, Server, Shift Supervisor**

- Cleaning and resetting tables

- Greeting and seating customers to assigned tables
- Taking orders and entering them into a computerized system
- Assuring the correctness of the carry out orders
- Delivering and checking the quality of food and drink
- Maintaining the policy of 100% guest satisfaction
- Keeping all areas of the restaurant clean and ready for the next shift
- Supervising the restaurant
- Making cash deposits to the bank
- Ordering supplies
- Checking the incoming orders for correctness
- Overseeing the general operations of the restaurant

#### EDUCATION:

1992, Graduated Coyle and Cassidy High School, Taunton, MA

1993, Certified at Safety Program Consultants, Inc. Emergency Medical Technician

#### References:

Available upon request



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Help Center

Whitney Academy Inc.



Overview Jobs Candidates Career Page Campaigns

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Back to Candidates

2 candidates

Residential Supervisor 2nd Shift - Dighton, MA, New

0 of 2 candidates reviewed

0%

Christy Smith

Bartender - Fall River, MA

Oct 8 - Awaiting Review | Match

Ashley Morais

House cleaner - Bristol, RI

Sep 30 - Awaiting Review

# Christy Smith

Bartender - Fall River, MA

Blind phone number

Interested?

Status:

Yes Maybe Reject

Awaiting Review

Send Message

Set up Interview

More actions

Resume appears to match your job description. Is this a good match? Yes - No

Choose Skill Assessments

## Resume

Oct 2

Down

### Christy Smith

Willing to relocate: Anywhere  
Authorized to work in the US for any employer

#### Work Experience

##### Bartender

The Cove Restaurant and Marina - Fall River, MA  
2014 to Present

- Prepare alcohol or non-alcohol beverages
- Interact with customers, take orders and serve snacks and drinks
- Assess customers' needs and preferences and make recommendations
- Mix ingredients to prepare cocktails
- Plan and present bar menu
- Check customers' identification and confirm it meets legal drinking age
- Restock and replenish bar inventory and supplies
- Stay guest focused and nurture an excellent guest experience
- Comply with all food and beverage regulations

##### Private Nanny

Bowen Family - Swanton MA  
2012 to 2015

- Create a stimulating, nurturing, and safe environment for the child.
- Supervise the child's activities at all times
- Plan and prepare meals and bottles for, and feed, the children
- Bathe, dress and place the child down for naps at bedtime, change clothes
- Organizing children's play dates
- Assisting with language acquisition and development
- Providing developmentally appropriate educational games
- Teaching letters, numbers, and colors
- Teaching manners and other socially appropriate behavior
- Taking the child on special outings to museums and the zoo
- Doctor appointments and Administer medicine.

##### Residential Counselor

Meadowridge Academy / Culverwell Academy - Swanton, MA  
2010 to 2011

#### Did the candidate answer?

Your selection will be saved as a note

Yes

Made initial contact with candidate

Scheduled an interview

Conducted a phone interview

Made an offer

Other

No

Candidate did not answer

Left a message

Type an additional note (optional)

Save note

Provided office support services so as to ensure efficiency. Productive and diverse exposure of healthcare and hospitality settings. Provide continuous therapeutic support. These supports include the following: Individual meetings with Primary Counselors, Highly structured programming, Weekly community outings, Homework help and tutoring, Evening leisure groups, Medical Services, Crisis Intervention/Prevention, Incentive plans, Community meetings, Multidisciplinary Team meetings, Implementation of Treatment plans, Life Skills/PAYA instruction and Collaboration with parents and service providers.

**Residential Counselor**

Community Resources for Justice - Carver, MA  
2009 to 2010

- Provide residential and community-based services to individuals with developmental disabilities.
- Enable clients the security and support needed to reach their fullest potential in the community.
- Monitor and insight clients

**Lead Residential Counselor - CBAT**

St. Vincent's Home for Children - Fall River, MA  
2005 to 2009

- Communicate with the employees, residents and other individuals to answer questions, disseminate or explain information, take orders and address complaints. Answer telephones, direct calls and take messages. Compile, copy, sort, and file records
- Manage Co-ed programming for Adolescents and Children ages 6-21
- Supervised 15 direct care staff.
- Inspired and motivated adolescents and children to make better choices, through achieved examples.
- Organized events and activities for direct residents on a daily basis
- Experience in crisis management, therapeutic age appropriate short-term residential care, life skills development, independent living skill building, parent and caregiver skill building, supervised visitation, one-to-one support, respite
- Therapeutic counseling in substance abuse, sexual aggression, physical and sexual abuse.

**LEADERSHIP INVOLVEMENT:**

- Nominated for the Mason Award 2009
- Have received a number of staff recognitions for becoming the agencies' Lifeguard
- Participated and became Captain of the Whaling City Whale Boat Challenge
- Acknowledged for deep sea fishing trips, camping trips and also theme park adventures

**Waitress/Bartender**

Venus De Milo - Swans, MA  
2001 to 2008

- Prepare alcohol or non-alcohol beverages
- Interact with customers, take orders and serve snacks and drinks
- Assess customers' needs and preferences and make recommendations

**Education**

**Bachelor's in Crime and Justice**

Dartmouth - Dartmouth, MA  
January 2015 to May 2018

**General Studies / Health and Science**

Bristol Community College - Fall River, MA  
September 2011 to May 2015

**Diploma G.E.D in General Studies**

Dartmouth High School - Fall River, MA  
2000

**Awards**

**Dean's List**

January 2010  
January 2018  
May 2018

**Additional Information**

- SKILLS:**
- Basic knowledge of Portuguese

**Candidate Application Questions (1/1)**

How many years of Supervisor experience do you have?

3

JoAnne M. Waite, LMFT

## QUALIFICATIONS

The diverse work experience I have has enabled me to be an extremely confident and trustworthy person. I believe my leadership abilities, empathy and honesty has provided me with the opportunity to work with a diverse population in an intellectual environment. I work cooperatively with healthcare agencies and stakeholders in Rhode Island and Massachusetts; DCYF, Family Services of Rhode Island, Day One, Attorney General and Crossroads, that provide multi-cultural and multi-disciplinary support services that foster personal growth of youth, adults and their parents/guardians.

The ability to communicate in order to provide a wide range of training and development to professionals and paraprofessionals has afforded me the opportunity to collaborate with a wide variety of healthcare agencies and stakeholders in Rhode Island and Massachusetts, that represent community organization to better support young people and their families in need. In my work with a variety of family systems, community and correctional agencies and outreach organizations, I have facilitated many projects to develop and implement programs and resources that enhance interpersonal safety, social skills groups, anger management and skills streaming, in order to develop positive behavioral interventions and increase awareness. Within the capacity of a practicing clinician in public schools, residential and in private practice, I have worked with a variety of people in their quest for spiritual, moral and ethical enrichment and strategies to achieve academically and socially. I have extensive experience in the oversight and development of all aspects of clinical and community training and outreach functions of the center, focusing on complying with licensing, legal, and ethical standards of practice in order to be responsible for planning, developing, directing, coordinating and administering a comprehensive regional service delivery system oriented toward maximizing the efficiency and availability of both private and public services to children youth and their families. Throughout my career, I have demonstrated commitment to statewide program of social services for families, children and adults, including child welfare services, day care, work incentive, family planning, and homemaker services, mental health services and juvenile and adult probation services.

## WORK HISTORY

Clinical Director, Day One, Providence, RI

October 2017-Current

The Clinical Director is responsible for the development, implementation, oversight and evaluation of all Day One clinical services, as well as for the management and supervision of the Rhode Island Children's Advocacy Center (CAC) and Clinical Supervisors. Principal duties and responsibilities include developing and implementing a strategy for growth and expansion of Day One clinical services within the scope of the strategic plan. Ongoing assessment of clinical needs of Day One clients. Recruits, hires, and supervises clinical staff and interns. Develops and implements state-of-the-art, evidence-based, trauma-focused treatment strategies for the out patient and group clinical program. Provides trauma-focused treatment to survivors of all ages of sexual abuse and exploitation. Develops, implements, and evaluates all clinical and CAC operations policies and procedures. Assures proper maintenance of all clinical records, statistics, and reports in compliance with local, state, and federal laws and funding requirements. Develops and monitors annual clinical program budget. Collaborating in order to foster effective relationships with all appropriate community stakeholders, including clinical programs, educational and medical institutions, state agencies, insurance companies, and key community leaders. Serves as spokesperson for Day One to media, community groups, organizations, funding sources, and elected officials as required through public speaking, presentations and trainings. Provides consultation and community outreach to professional colleagues, community groups, organizations, or individuals seeking assistance in issues related to sexual abuse.



Clinical Consultant, Greater Lakes Children's Alliance, Bedford, New Hampshire April 2019 – Current

The clinical Consultant is responsible for the development and implementation of behavior health services within the Children's Advocacy Centers at Greater Lakes Children's Alliance. Recruits, hires, and supervises clinical staff and interns. Develops and implements state-of-the-art, evidence-based, trauma-focused treatment strategies for the out patient and group clinical program. Provides trauma-focused treatment to survivors of all ages of sexual abuse and exploitation. Develops, implements, and evaluates all clinical and CAC operations policies and procedures. Assures proper maintenance of all clinical records, statistics, and reports in compliance with local, state, and federal laws and funding requirements. Develops and monitors annual clinical program budget. Collaborating in order to foster effective relationships with all appropriate community stakeholders, including clinical programs, educational and medical institutions, state agencies, insurance companies, and key community leaders.

Clinical Director, Boys Town New England

January 12, 2015 – October 2017

The Clinical Director at Boys Town New England provides the support and clinical/educational treatment direction of the youth in the Boys Town Family Homes Program and Boys Town Foster Family Services. The Clinical Director collaborates and supports the Residential Director and Foster Family Services Director in making recommendations, referrals for evaluations, clinical assessments and on-going group or individual treatment, depending on the goals and objectives. The Clinical Director supervises the Clinical Support Specialists in their therapeutic approach to supporting the youth in the care of Boys Town New England. The Clinical Director also has the responsibility to communicate with other outside clinical providers as well as the Portsmouth School District, in order to manage and facilitate collaborative treatment within the Boys Town model of care. The Clinical Director renders the therapeutic services to the youth (ages 18 months - 18 yo.) and families in order to identify needs in development and foster a better understanding of how to obtain the goals in school, life skills, and at home utilizing a multi-systems cognitive behavioral approach.

Clinician, Dr. DayCare Family, Inc.

June 2010 – September 2014

As a part of a team, I collaborate to create behavior management plans to improve student behavior. The students range in age from 3 years old to 13 years old. In cooperation with classroom teachers, social workers, psychologists and various family resources in Rhode Island, the behavior plans are created, implemented and monitored by the clinician. When necessary, I will participate and provide assessments and feedback regarding the child's progress in larger system team meetings with school districts, focusing on IEP's, DCYF and CEDARR, in the areas of Pawtucket, Woonsocket, Lincoln and Warwick. The clinical role requires assistance to all students, individually or in groups, to develop personal/social/behavior goals and conjointly meet with the parent/guardian to address concerns and achievements. On a monthly basis I lead training, workshops and other professional development activities to on line staff at the agency. The schedule for these trainings and workshops are focused on learning new approaches and techniques to better manage the children in our care. Paperwork and assessments are an essential part of the clinical position as well as maintaining the child's record in accordance with DHS regulations. When in the classroom setting, I provide direct feedback and support to the classroom staff and assist in any behavioral issues that may arise. In managing the cases it is equally as important to develop strong connections and positive relationships with both the classroom staff and the children.

Clinician, Ocean State Psychotherapy, Inc.

May 2003-June 2010

A Licensed Marriage and Family Therapist providing clinical services to children, adolescents, young adults, families, and couples. I facilitated groups on a regular basis for children, adolescents and young adults. Specific themes of the groups deal with conflict resolution, self-esteem, social skills, healthy coping skills, resolving eating disorders, healthy sexuality, and many more, focused on empowering adolescents and young adults, especially females, to make healthy choices. A vital part of the therapy process was implementing and evaluating assessments to determine a diagnosis and create a treatment plan that would enable the client to be successful in achieving their therapeutic

goals. As the Clinical Manager at OceanState Psychotherapy, Inc., I also facilitated meetings and implemented various trainings and workshops to other clinical staff. We would collaborate as a team to review cases and provide important supervision on difficult cases. While in private practice, I facilitated sex offender specific treatment groups with adult males on parole and probation. I also provided trauma focused therapy to families living with a sex offender. During this time frame, I provided sexual abuse evaluations and sex offender risk assessments for state probation and parole focused on adjudicated male juvenile offenders.

Unit Director, The Stetson School, Inc.

December 1999-2003

The Stetson School is a residential treatment facility for adolescent males ranging in age from 10-18 years, who have been adjudicated for a sexual crime. The Unit Director responsibilities include supervising and coordinating treatment focused activities for the Main/Ryder Team, which consists of 24 students and 25 staff. As the Unit Director, I had the opportunity to develop and implement treatment oriented programming in order to improve the team knowledge, performance and morale, when treating the adolescent sex offender population.

By developing staff and utilizing the strengths of the team, the team then demonstrated a commitment to working more cooperatively and effectively with each other. In addition to developing new programming, the Unit Director works cooperatively with the Program Team in assigning caseloads, training staff, leading the student's treatment, assessing the students risk to re-offend, and providing training in new policies and procedures, as well as community outreach.

While in this role of Unit Director, I supported and coached both staff and students to address the social, emotional and behavioral needs of the students. Our agency had residents from upwards of 13 different states and it was imperative for me to be up to date on treatment plans, IEP's, parole/probation guidelines and other requirements to support the student in their success. While employed at the Stetson School, I facilitated the development of a high and low ropes course in cooperation with the Project Adventure Team. The ropes course enabled us to create an alternative form of team building and to provide both staff and students with a challenging and empowering opportunity to increase their self-esteem.

Clinician/Art Therapist, Adult Correctional Institute

June 1998-December 2014

The role of clinical art therapist at the corrections facility allows me the opportunity to work with the adult male sexual offender population. The role allows me to facilitate relapse prevention groups and art therapy groups focused on increasing self-esteem, grief therapy, anger management, and resolving trauma. I work as a part of the Sex Offender Treatment Program organized and implemented by Peter Loss. The experience I have gained as an Art Therapist and Clinician has been tremendous. I have the ability to assess the group members and establish goals to fit their needs, as well as the ability to administer and assess sex offender specific evaluations and assessments that determine risk to re-offend. (Static/Stable)

Clinician, The Stetson School, Inc.

March-December 1999

As a clinician on the Alden/Johnson Team, I was responsible for providing treatment to 12/15 adolescent male sex offenders, ranging in age from 13 to 17 years old. The clinician provides direct psychological care to the individuals during weekly sessions and in a group setting. Additional duties included planning, developing, assessing, and implementing individual treatment plans and evaluating the individuals progress in treatment. The team worked collaboratively to develop effective programming and to review each case to ensure the appropriate services were being provided. Personal development was in the form of attending numerous training, conferences, and individual supervision.

Art Therapist, Elizabeth Buffum Chace House

January 1995-1999

The art therapy group was developed five years ago for children and adolescents, age 5 to 17, who have been victims of domestic violence and/or sexual abuse. The group's curriculum focused on developing appropriate skills to express emotion, enable the child/adolescent to understand the trauma and to give them alternatives to acting out behaviors. The art allows the child/adolescent to process their experiences and to interrupt the cycle of abuse.

AmeriCorps School Liaison, Rhode Island Children's Crusade

September 1996-1999

A division of President Clinton's domestic Peace Corps. This year of service requires the liaison to make personal connections with Crusaders, ages 12-15, parents, teachers, guidance counselors, and other community representatives. These connections are made in order to connect Crusaders to appropriate services and to assist Crusaders in developing age appropriate academic, social and employable skills. All work is accomplished through cooperating with a multi-disciplinary team within the agency and the community. Assessing and developing a support network with the Crusaders and their community includes developing and implementing after school programs focusing on personal/social development skills, community service and behavior modification. The year of service also included personal volunteer work as an active advocate for The Rape Crisis Center, and participating in ongoing personal development training.

I have continued to support the AmeriCorps NEISP (National Early Intervention Scholarship Program) Program in the capacity of being a facilitator and coach. The role requires a great deal of high performance team training, organization and implementation of goals and objectives. The goals and objectives of the program are executed by a staff of 8/10, with support from the coach and facilitator. The leadership responsibilities are to measure and evaluate the staff, ensure outcome objectives are being managed appropriately, and to allow the children to grow and learn from their peers and role models.

Special Education Instructor, EastConn PACE Program September 1990-1994

A private pro-active cooperative education program, providing day services to behavioral/emotional disordered children and adolescents. Responsibilities included organizing, developing and implementing individual education plans for a variety of academic subjects and levels. Developing and implementing individual behavior plans, coordinating daily plans for client and staff development and monitoring data based behavior management plans. Trans-disciplinary team meetings were instrumental in focusing on the students program. In addition to educational aspects of the curricula, I created the art program for the five classrooms, coordinating and fulfilling weekly activities to promote growth and self-esteem.

## E D U C A T I O N

University of Rhode Island  
Masters Marriage and Family Therapy  
1997- 1999

Springfield Collège  
Masters in Art Therapy  
1994-1996

State University of New York, New Paltz  
BFA Art History  
1984-1988

## Current Licensure

Licensed Marriage and Family Therapist/State of New Hampshire (LMFT) #245  
Licensed Marriage and Family Therapist/State of Massachusetts (LMFT) #1223  
Licensed Marriage and Family Therapist/State of Rhode Island (LMFT) #00086  
Licensed Marriage and Family Therapist/State of Florida (LMFT) # MT3134  
Certified School Psychologist of Rhode Island #63657

**Professional Memberships**

Association for the Treatment of Sexual Abusers (ATSA)  
Clinical member  
American Art Therapy Association (AATA)  
Clinical member  
American Association of Marriage and Family Therapy (AAMFT)  
Clinical Member / Approved Supervisor  
National Association for Forensic Counselors (NAFC)  
Certified Clinical Criminal Justice Specialist  
Rape Aggressive Defense (R.A.D.) Instructor/Director of Rhode Island Chapter  
Resisting Aggression Defensively(r.a.d.KIDS) Kids Instructor

**Professional Certifications**

Eye Movement Desensitization and Reprocessing (EMDR)  
Dialectical Behavior Therapy (DBT)  
Rape Aggressive Defense (RAD) Instructor  
radKIDS Instructor  
Project Adventure Facilitator  
Therapeutic Crisis Intervention (TCI)  
Deviant Arousal Training  
Neurofeedback Provider  
AAMFT Approved Supervisor  
Trained/Provider: CFTSI (Child and Family Traumatic Stress Intervention)  
Trained/Provider: Choose Love Curricula  
Trained/Provider: Peace Love Creator (national expressive art therapy program)  
Trained/Provider: Vicarious Trauma Trainer  
Trauma Focused Cognitive Behavioral Therapy (TF\_CBT)

**Professional References**

Rachel Thorpe, LICSW  
Sarasota, Florida  
(401) 595-7604

Pamela O'Neill, LICSW  
Rockland, MA  
(978) 424-6058

Peter Loss, LSW  
East Lyme, CT  
(401) 578-3477

Tammy David, East Providence Police Department  
East Providence, RI  
(401) 480-2986

Michael Stone



### Areas of Strength and Technical Skills:

- Organized with the ability to strongly focus efforts.
- Effective leader with strong interpersonal skills.
- Talented free hand artist.
- Proficient in Microsoft Word, Microsoft PowerPoint, QuarkXPress, and Adobe Software.
- Effectively handles concurrent assignments.

### Objective:

To obtain a position where I can mentor and provide guidance to adolescents who face adversities with a collaborative approach.

### Experience:

Samsonite | Mansfield, MA

Graphic Design Intern

January 2010 - April 2010

- Took photographs of merchandise to be used in a brochure promoting the new line of luggage.
- Cropped and distorted images using Photoshop in order to single out the merchandise and to give examples of it in different colors.
- Prepared PowerPoint's of new ideas incorporating the images with the text.
- Helped with logo designs using Illustrator.

Sandbaggers Restaurant | Providence, RI

Prep Cook

April 2009/2010 - November 2009/2010

- Helped cook and prepare meals for customers.
- Cleaned the dishes and silverware.
- Served food during lunch outings.

Triggs Memorial Golf Course | Providence, RI

Landscaper

May 2007/2008 - September 2007/2008

- Maintained the grass and bunkers.
- Positioned the T's and holes in appropriate places.
- Worked with landscaping equipment.

### Education:

Curry College | Milton, MA

September 2004 - December 2008

Bachelor of Arts Degree in Graphic Design

*up date of*

Contractor Name  
Key Personnel

Name	Job Title	Salary Amount Paid from this Contract
Kevin Creedon	Director of Research and Development	\$3000
Evan Crowley	Director of Education	\$3000
Paul Depina	Director of Recruitment/Ret.	\$3000
Joshua Ferrero	Staff Development Specialist	\$3000
Kevin Marques	Executive Director	\$3000
Matthew Miranda	Residential Director	\$3000
Ellen Martin-Perry	Human Resource Manager	\$3000
Christy Smith	Staff Development Specialist	\$3000
Michael Stone	Asst. Director of Res. Services	\$3000
JoAnne Waite	Clinical Director	\$3000