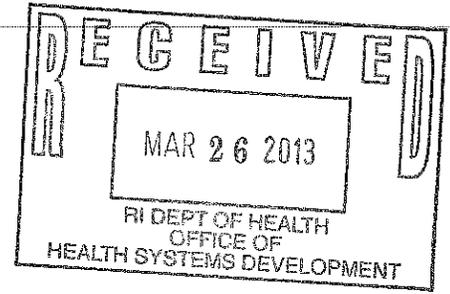


INITIAL LICENSURE APPLICATION



Name of Applicant:	AccessPoint RI
Name of Facility:	AccessPoint Living Rite Center
Date Application Submitted:	March 21, 2013
Amount of Fee:	\$1,600 \$1,690

All questions concerning this application should be directed to the Office of Health Systems Development at (401) 222-2788

Please have the appropriate individual attest to the following:

"I hereby certify that the information contained in this application is complete, accurate and true."

 3/25/13
signed and dated by the President or Chief Executive Officer

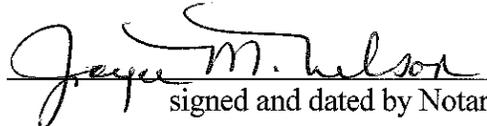
 3/25/13
signed and dated by Notary Public

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1. Requested Facility License (select only 1 per application):

	Freestanding Emergency Care Facility (R23-17-FECF)
	(Outpatient) Kidney Treatment Center (R23-17-DIAL)
x	Organized Ambulatory Care Facility (R23-17-OACF)
	(Outpatient) Birth Center (R23-17-BC)

2. Please provide an executive summary describing the nature and scope of the proposal which should at least include the following: (1) identification of all parties and their track record and experience, (2) the types of services to be offered, (3) operational information about the proposed facility (hours of operation, whether the site is leased or owned, geographic area to be served, estimated date of when service will start being offered, if approved), (4) whether the applicant will seek professional accreditation from a nationally recognized accrediting agency (eg. CHAP, JACHO, etc.).

Over the three-year grant period, the URI will implement "Living Rite-A Disruptive Solution for Management of Chronic Care Disease (a focus on adults with disabilities: intellectual and developmental diagnoses (IDD) and Alzheimer's dementia patients with 2 or more chronic conditions)." The project's goals are: (1) address the concerns of the Cross Disability Coalition with our guiding principle that "a patient is an individual to be cared for, not a medical condition to be treated;" (2) provide a more holistic approach to care by improving quality, comprehensiveness and coordination; (3) provide fully accessible preventive medical care in Living Rite Centers (Centers); (4) improve self-management of chronic conditions by increasing knowledge and understanding of how to change behaviors, (5) ensure financing method developed produces good health outcomes, (6) improve workforce development needs of persons with disabilities (PWD) while actively coordinating training, job recruitment and placement services across existing agencies.

Living Rite is a new business model for the treatment of chronic disease that draws from Clayton Christensen's book "*The Innovator's Prescription: Disruptive Solution for Health Care.*" Rather than treating chronic disease in a physician's office or hospital, which were designed to treat acute disease, we are co-locating Living Rite Centers into IDD and senior adult day centers. This requires designing, with our initial sites, the means to integrate new technology and care processes into their current business structure. By focusing our initial two sites and our PWD workforce development activities on IDD and Alzheimer's dementia patients with 2 or more chronic conditions, we anticipate a three-year cost savings of \$15,526,726. If our initial efforts are successful and our projected savings prove attainable we look forward to working with CMS to expand our program to include additional Living Rite Centers and more clients.

During our next period of planning, design, and implementation we will focus effort on the creation of a program monitoring and evaluation plan. This plan will include exploration of currently available data sources, gaps in data availability, and strategies for closing those data gaps. Potential data sources include linking existing secondary data systems (e.g., Medicare and Medicaid claims, Part D, EMRs, PHRs, etc.) and, potentially, primary data collection (e.g., patient and provider experience measures). A repository integrating these primary and secondary data sources will serve as the source for all program monitoring analytics and measurement. Our plan will include exploration and detailing of desirable health care utilization, quality, cost, and provider and patient experience measures (relying predominately on standardized measure sets for measure technical specification) to ensure that all intended measures and analytics are supportable through available data; to the extent that data gaps exist, we will include plans to address those gaps.

The Living Rite Integrated Care Center would be a freestanding ambulatory care center offering care

coordination and primary care services. Enrollees would be individuals with multiple chronic diseases, developmental disabilities and elders across Rhode Island. Primary focus will be providing services to individuals with Medicaid and Medicare who often have decreased access to care. Center will provide fully accessible services to ensure support to the most vulnerable patients who might have significant physical and cognitive disabilities. Treatment will be delivered by a multidisciplinary team who will focus on preventative care and routine ongoing treatment for chronic illness. The use of telehealth and telemedicine will assist Center staff to reach patients in their community. Additionally, the Centers will be structured to be responsive to urgent care needs.

3. Legal name and address of the applicant (i.e the proposed licensee):

Name: AccessPoint RI	Telephone: 401-941-1112
Address: 111 Comstock Parkway, Cranston, RI	Zip Code: 02920

4. Information of the President or Chief Executive Officer of the applicant:

Name: Thomas P. Kane	Telephone: 401-941-1112
Address: 56 Evarts Street, Newport, RI	Zip Code: 02840
E-Mail: TKane@AccessPointRI.org	Fax: 401-633-0070

5. Information for the person to contact regarding this proposal (only if different from the President/CEO in Question 4):

Name:	Telephone:
Address:	Zip Code:
E-Mail:	Fax:

6. Applicant's legal status: Sole Proprietorship Partnership
 Corporation Limited Liability Corporation
 Applicant's tax status: For-Profit Not-For-Profit

7. Name of the proposed facility administrator, please also attach a job description for the position and a resume (with professional references & phone numbers) for this individual:

8. Will the facility be operated under management agreement with an outside party? Yes No
 If response to Question 8 is "Yes", please provide copies of that agreement.

9. Will the facility offer healthcare services provided under contract with an outside party? Yes No

- If response to Question 9 is "Yes", please identify and describe those services to be contracted out.
 - Will likely be contracting for Occupational, Physical and Speech Therapies, as well as for Consulting Pharmacists.
10. Will the facility, as proposed, be in full compliance with all applicable rules and regulations (and not require any variances)? Yes x No ___
- If the response to Question 10 is 'No', please explain.
11. Please provide an organizational chart identifying all "parent" legal entities with direct or indirect ownership in or control of the applicant, all "sister" legal entities also owned or controlled by the parent(s), and all "subsidiary" legal entities owned or controlled by the applicant.
12. For all entities identified in response to Question 11, please provide a brief narrative clearly explaining the relationship of these entities to each other and to the applicant, including ownership.
13. Does the entity seeking licensure plan to participate in Medicare or Medicaid (Titles XVIII or XIX of the Social Security Act)?
- MEDICARE: Yes x No ___ MEDICAID: Yes x No ___
- If response to Question 12, for either Medicare and/or Medicaid is 'No', please explain.
14. If the proposed owner, operator or director of the proposed health care facility owned, operated or directed a health care facility (both within and outside Rhode Island) within the past five years, please demonstrate the record of that person(s) with respect to access of traditionally underserved populations to its health care facilities.
15. Please provide a copy of proposed charity care policies and procedures and charity care application form.

Subject: **Charity Care**

PURPOSE:

ACCESSPOINT LIVING RITE CENTER is a of not-for-profit healthcare clinic that provides healthy living strategies and emergency services whose mission includes improvement of the overall health status of the community it serves. ACCESSPOINT LIVING RITE CENTER is committed to providing high quality, coordinated healthcare for individuals who seek services, including those individuals in the ACCESSPOINT LIVING RITE CENTER community who lack the means to pay for such services. This policy sets forth the policy, process, and guidelines by which such individuals can access Charity Care.

POLICY and SCOPE:

To fulfill its mission of providing compassionate, high quality coordinated healthcare to the individuals it serves, ACCESSPOINT LIVING RITE CENTER must provide such services in a financially responsible manner. Therefore, it is the policy of ACCESSPOINT LIVING RITE CENTER to maintain a system for proper identification of individuals eligible for Charity Care.

This policy covers medically necessary health care services provided by ACCESSPOINT LIVING RITE CENTER and does not include any services provided by outside vendors, including, but not limited to, non-employed physicians.

It is the policy of ACCESSPOINT LIVING RITE CENTER to differentiate between uninsured individuals who are unable to pay from those who are unwilling to pay for all or part of their care. ACCESSPOINT LIVING RITE CENTER will provide Charity Care to those uninsured individuals who are unable to pay based upon the eligibility criteria set forth herein.

In order to conserve scarce healthcare resources, ACCESSPOINT LIVING RITE CENTER will seek payment from uninsured individuals who do not qualify for Charity Care. While qualification for Charity Care is ideally determined at the time of service, ACCESSPOINT LIVING RITE CENTER will continue to review such determinations as potential insurers or other financial resources are discovered during the billing and collection process.

This policy does not apply to individuals who are "underinsured" as opposed to uninsured. For example, it is not the intent of this policy to provide free or discounted care to individuals who have health insurance with deductibles and/or coinsurance.

This policy does not apply to those individuals seeking care who reside outside of the ACCESSPOINT LIVING RITE CENTER immediate service area unless the individual has received ongoing care with ACCESSPOINT LIVING RITE CENTER in the year prior to the date of service.

Services provided by non-employed physicians and other services provided by outside vendors are not covered by this policy and individuals seeking a discount for such services should be directed to call the physician or outside vendor directly.

DEFINITIONS:

1. **Financial Counselor.** An individual trained to assist individuals in identifying sources of healthcare coverage, determining eligibility for such coverage, and assisting in completing necessary applications. Financial counselors may either be employees of ACCESSPOINT LIVING RITE CENTER or a third party engaged by ACCESSPOINT LIVING RITE CENTER to assist in its billing and collections processes.

2. **Charity Care.** Charity Care is free care provided to individuals who are uninsured for the relevant, medically necessary service and who are ineligible for governmental or other insurance coverage. A patient will be eligible for Charity Care if the patient's family income does not exceed 200% of the Federal Poverty Level. In the case of those individuals who are treated and released from the emergency room and do not complete a Charity Care application, ACCESSPOINT LIVING RITE CENTER may assume the patient qualifies for Charity Care if the patient resides in a zip code where the average household income does not exceed 200% of the Federal Poverty Level. All expenses incurred as a result of providing healthcare services to those who qualify for Charity Care are absorbed by ACCESSPOINT LIVING RITE CENTER, except for personal charges incurred by the patient such as telephone, television, and other services incidental to their health care services.

3. Immediate Service Area. For the purposes of this policy, ACCESSPOINT LIVING RITE CENTER 's immediate service area is defined as the state of Rhode Island

4. Self-Pay Patient. Those individuals who are uninsured individuals (as defined below) and who are not eligible for Charity Care. Self-pay individuals are eligible for financial assistance at a discounted rate, in accordance with ACCESSPOINT LIVING RITE CENTER 's Uninsured Discount Policy, which sets forth a discounted Self-Pay Fee Schedule.

5. Uninsured Patient. A patient who does not have any third party health care coverage by either (a) a third party insurer, (b) an ERISA plan, (c) A federal health care program (including without limitation Medicare, Medicaid, SCHIP, and TRICARE), (d) Workers' Compensation, Medical Savings Account, or other coverage for all or any part of the bill, including claims against third parties covered by insurance to which an ACCESSPOINT LIVING RITE CENTER entity is subrogated, but only if payment is actually made by such insurance company.

6. Governmental Health Care Coverage. Any health care program operated or financed at least in part by the federal, state or local government.

PROCEDURE:

The financial counselor will determine a patient's eligibility for Charity Care using a Charity Care Worksheet. Individuals whose family incomes are below 200% of the Federal Poverty Level (according to appropriate family size) will qualify for Charity Care.

The financial counselor will assist uninsured individuals in obtaining health insurance coverage through Medical Assistance, Children's Health Insurance Program, Special Care, COBRA, or other Governmental Health Care Coverage. The financial counselor will give the patient a brochure on Billing Guidelines and be directed to the sections on Charity Care and No Insurance.

Individuals who do not provide the requested information necessary to completely and accurately assess their financial situation or who do not cooperate with efforts to secure Governmental Health Care Coverage will not be eligible for Charity Care or other financial assistance.

Once a patient has been approved for Charity Care, the patient must disclose any change in financial or family situation that may affect eligibility for Charity Care. The patient will be asked periodically to disclose any change in status or to update the financial and family information and may be asked to reapply for Charity Care.

7. Continuing Treatments.

Self-pay individuals may receive continuing outpatient treatment after the initial outpatient visit or admission only if the treating physician advises the Financial Counselor that such treatment is medically necessary and the patient qualifies for Charity Care or the patient has made all payments in accordance with arrangements made under ACCESSPOINT LIVING RITE CENTER 's Self-Pay Policy.

To monitor this policy, Management will produce Charity Care reports on a periodic basis that identify Charity Care activity by clinical service, geographic area, and other measures

16. Please identify the proposed immediate and long-term plans of the applicant to ensure adequate and appropriate access to the program and health care services to be provided by the proposed health care facility to traditionally underserved populations.

The primary focus of the Center will be to serve individuals with Intellectual/Developmental Disabilities, Cognitive Disabilities including Alzheimer's. The Center facility will be fully accessible as per ADA. Additionally, the Center will grant preference to Medicaid and Medicare recipients. The interdisciplinary team will reach out to patients in their homes and communities both in person and via telehealth and telemedicine applications. Center will reach out to primary care providers in the community in order to improve access to primary care for all Center members.

17. Will the facility provide healthcare services (for which it is seeking licensure) to patients without discrimination, including the patients' ability to pay for services? Yes x No
- If response to Question 17 is "No", please explain.
18. Please identify any state or federal licensure or certification citations and/or enforcement actions taken against the applicant and their affiliates within the past 3 years and the status or disposition of each. N/A
19. Please provide a list of pending or adjudicated citations, violations or charges against the applicant and their affiliates brought by any governmental agency or accrediting agency within the past 3 years and the status or disposition of each. N/A
20. Please provide a list of any investigations by federal, state or municipal agencies against the applicant and their affiliates within the past 3 years and the status or disposition of each. N/A
21. Please identify any planned actions of the applicant to reduce, limit, or contain health care costs and improve the efficiency with which health care services are delivered to the citizens of this state.
22. Please provide a copy of the Quality Assurance Policies (for the proposed services) and a detailed explanation of how quality assurance for patient services will be implemented at the proposed facility.
23. Please provide a detailed description about the amount and source of the equity and debt commitment for this transaction. (**NOTE:** If debt is contemplated as part of the financing, please complete Appendix C). Additionally, please demonstrate the following:

\$13,400 is from cash on hand to complete renovations to the clinic site. \$43,700 funded through the grant is for office equipment, tech equipment and \$52,892 funded through the grant is for medical equipment start-up.

- A. The immediate and long-term financial feasibility of the proposed financing plan;

We are working to insure the centers long term sustainability via expanding third party billing (esp Medicaid) as the 3 year grant funding expires.

- B. The relative availability of funds for capital and operating needs; and

Centers will be located within existing facilities that have been operating continuously for 50+ years.

- C. The applicant's financial capability;

The organization has been operating a budget of over 10 million dollars for over a decade.

24. Please provide legally binding evidence of site control (e.g., deed, lease, option, etc.) sufficient to enable the applicant to have use and possession of the subject property.

See Attachment

25. Please identify any zoning approvals that may be required in order to implement this proposal and the applicant's actions taken to date to obtain such approvals.

According to current zoning regulations site operates within proper zoned areas.

26. Please provide pictures and schematics of the proposed facility in sufficient detail to show use and dimensions of the space.

See Attachment

27. Please provide each of the following documents applicable to the applicant's legal status:

- Certificate and Articles of Incorporation and By-Laws (for corporations)
- Certificate of Partnership and Partnership Agreement (for partnerships)
- Certificate of Organization and Operating Agreement (for limited liability corporations)

28. If the applicant or one of its parent companies (or ultimate parent) is not a publicly traded corporation, please provide the audited financial statements for the most recent three years, if applicable.

Parent is new. There is no audit.

29. If the applicant or one of its parent companies (or ultimate parent) is a publicly traded corporation, please provide copies of its most recent SEC 10K filing.

30. All applicants please complete Appendixes A, D, and E.

Appendix A

1. Please indicate the financing mix for the capital cost of this proposal, if applicable. **NOTE:** the Health Services Council's policy requires a minimum 20 percent equity investment.

Source	Amount	Percent	Interest Rate	Terms (Yrs.)
Equity*	\$109,992	100%		
Debt**	\$	%	%	
Lease	\$	%	%	
TOTAL	\$109,992	100%		

* Equity means non-debt funds contributed towards the capital cost related to a change in owner or change in operator of a healthcare facility which funds are free and clear of any repayment or liens against the assets of the proposed owner and/or licensee and that result in a like reduction in the portion of the capital cost that is required to be financed or mortgaged.

** If debt financing is indicated, please complete Appendix C.

2. Please identify the total number of FTEs (full time equivalents) and the associated payroll expense (with fringe benefits) required to staff this proposal.

Please see attached

	RAMP UP YEAR 2013		FIRST FULL FISCAL YEAR 2014	
	Personnel	Number of FTEs	Payroll W/Fringes	Number of FTEs
Medical Director	#	\$	#	\$
Physicians/Health Care Provider	#	\$	#	\$
Administrator	#	\$	#	\$
Director of Nursing / Clinic Dir	#	\$	#	\$
RNs	#	\$	#	\$
LPNs	#	\$	#	\$
Nursing Aides	#	\$	#	\$
PTs	#	\$	#	\$
OTs	#	\$	#	\$
Speech Therapists	#	\$	#	\$
Clerical	# 1	\$	#	\$
Housekeeping	#	\$	#	\$
Other: ()	#	\$	#	\$
()	#	\$	#	\$
TOTAL:	#	\$	#	\$

Appendix A (cont.)

3. All applicants must complete Table A. Please include the data for the ramp up year and first full year after implementation. Please provide both the amounts and percentages for each category.

Table A (All Applicants)

PAYOR SOURCE	RAMP UP YEAR 20				FIRST FULL FISCAL YEAR 20			
	Units of Service (specify _____)		NET PATIENT REVENUE		Units of Service (specify _____)		NET PATIENT REVENUE	
	#	%	\$	%	#	%	\$	%
Medicare	#520	50%	\$20,800	50%	#780	50%	\$31,200	50%
Medicaid	#520	50%	\$20,800	50%	#780	50%	\$31,200	50%
Blue Cross	#	%	\$	%	#	%	\$	%
Commercial	#	%	\$	%	#	%	\$	%
HMOs	#	%	\$	%	#	%	\$	%
Workers' Comp.	#	%	\$	%	#	%	\$	%
Self-Pay	#	%	\$	%	#	%	\$	%
Other: (_____)	#	%	\$	%	#	%	\$	%
TOTAL:	#1040	100%	\$41,60	100%	#1560	100%	\$62,400	100%
Charity Care*	#	%	\$0	0%	#	%	\$0	0%

* Charity care does not include bad debt and is based on costs (not charges).

Appendix A (cont.)

4. Please complete the following projected income statements for the first three years after implementation. Round all amounts to the nearest dollar.

Please see attached.

PRO-FORMA FOR PROPOSED FACILITY			
	Ramp up Year 20__	First Full Fiscal Year 20__	Second Full Fiscal Year 20__
REVENUES:			
Net Patient Revenue	\$	\$	\$
Other: ()	\$	\$	\$
Total Revenue	\$	\$	\$
EXPENSES:			
Payroll w/Fringes	\$	\$	\$
Bad Debt	\$	\$	\$
Supplies	\$	\$	\$
Office Expenses	\$	\$	\$
Utilities	\$	\$	\$
Insurance	\$	\$	\$
Interest	\$	\$	\$
Depreciation/Amortization	\$	\$	\$
Leasehold Expenses	\$	\$	\$
Other: ()	\$	\$	\$
Other: ()	\$	\$	\$
Total Expenses	\$	\$	\$
OPERATING PROFIT:	\$	\$	\$

Number of Patients:			
Number of Visits:			

(TO BE COMPLETED BY THE APROPRIATE STATE AGENCY)

Appendix B

Rhode Island Department of Health
Office of Health Systems Development

Compliance Report

(Name of Applicant) _____ has applied for licensure as a healthcare facility in Rhode Island. As part of the regulatory requirements to determine the character, competence and other quality related information of the applicant, the Office of Health Systems Development is requesting the following information regarding the health care facilities operated by or affiliated with the applicant, as listed on the attached sheet.

Please answer the following questions.

1. Are the agencies/facilities currently licensed and in substantial compliance with all applicable codes, rules and regulations? Yes ___ No ___

If the answer to #1 is "NO", please identify the facility(ies) and briefly explain the licensure status.

2. Has there been any enforcement actions against these agencies/facilities in the past five years? Yes ___ No ___

If the answer to #2 is "YES", please identify the facility(ies) and include any information relevant to those enforcement actions (reason for action, stipulation, fine, etc.). In addition, please furnish a brief description of the outcome of the most recent survey, including any deficiencies cited. Additional pages may be attached, if needed.

Reviewer's Name: _____ Title: _____
Department: _____ State: _____
Telephone _____ E-mail _____
Reviewer's Signature: _____ Date: _____

If you have any questions, please contact Michael Dexter at (401) 222-2788 or e-mail, Michael.Dexter@health.ri.gov Please return the completed form within 15 days to the address below:

Rhode Island Department of Health
Office of Health Systems Development
3 Capitol Hill, Room 404
Providence, Rhode Island 02908

Thank you.

Attachment

Appendix C

Debt Financing

All applicants proposing debt financing must complete this Appendix.

Applicants contemplating the incurrence of a financial obligation for full or partial funding of the proposal must complete and submit this appendix.

1. Please describe the proposed debt by completing the following:
 - a.) type of debt contemplated _____
 - b.) term (months or years) _____
 - c.) principal amount borrowed _____
 - d.) probable interest rate _____
 - e.) points, discounts, origination fees _____
 - f.) compensating balance or reserved fund _____
 - g.) likely security _____
 - h.) disposition of property (if a lease is revoked) _____
 - i.) prepayment penalties or call features _____
 - j.) front end costs (e.g. underwriting spread, feasibility study, legal and printing expense, points etc.) _____
 - k.) debt service reserve fund _____

2. If this proposal involves refinancing of existing debt, please indicate the original principal, the current balance, the interest rate, the years remaining on the debt and a justification for the refinancing contemplated.

3. Please present a debt service schedule for the chosen method of financing, which clearly indicates the total amount borrowed and the total amount repaid per year. Of the amount repaid per year, the total dollars applied to principal and total dollars applied to interest must be shown.

Appendix D

Disclosure of Ownership and Control Interest

All applicants must complete this Appendix

Please answer the following questions by checking either 'Yes' or 'No'. If any of the questions are answered 'Yes', please list the names and addresses of individuals or corporations.

1. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the applicant, that have been convicted of a criminal offense related to the involvement of such persons or organizations in any of the programs established by Titles XVIII, XIX of the Social Security Act? Yes ___ No **X**
2. Will there be any directors, officers, agents, or managers of the applicant (or facility) who have ever been convicted of a criminal offense related to their involvement in such programs established by Titles XVIII, XIX of the Social Security Act? Yes ___ No **X**
3. Are there (or will there be) any individuals employed by the applicant (or facility) in a managerial, accounting, auditing, or similar capacity who were employed by the applicant's fiscal intermediary within the past 12 months (Title XVIII providers only)? Yes ___ No **X**
4. Will there be any individuals (or organizations) having direct (or indirect) ownership interests, separately (or in combination), of 5 percent or more in the applicant (or facility)? (Indirect ownership interest is ownership in any entity higher in a pyramid than the applicant) Yes **X** No ___ (Note, if the applicant is a subsidiary of a "parent" corporation, the response is 'Yes')
5. Will there be any individuals (or organizations) having ownership interest (equal to at least 5 percent of the facility's assets) in a mortgage or other obligation secured by the facility? Yes ___ No **X**
6. Will there be any individuals (or organizations) that have an ownership or control interest of 5 percent or more in a subcontractor in which the applicant (or facility) has a direct or indirect ownership interest of 5 percent or more. (Also, please identify those subcontractors.) Yes ___ No **X**
7. Will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the applicant (or facility), who have been direct (or indirect) owners or employees of a health care facility against which sanctions (of any kind) were imposed by any governmental agency? Yes ___ No **X**
8. Will there be any directors, officers, agents, or managing employees of the applicant (or facility) who have been direct (or indirect) owners or employees of a health care facility against which any sanctions were imposed by any governmental agency? Yes ___ No **X**

Appendix E

Ownership Information

All applicants must complete this Appendix

1. List all officers, members of the board of directors, and trustees of the applicant and/or ultimate parent entity. For each individual, provide their home and business address, principal occupation, position with respect to the applicant and/or ultimate parent entity, and amount, if any, of the percentage of stock, share of partnership, or other equity interest that they hold.

Attached

2. For each individual listed in response to Question 1 above, list all (if any) other health care facilities or entities within or outside Rhode Island in which he or she is an officer, director, trustee, shareholder, partner, or in which he or she owns any equity or otherwise controlling interest. For each individual, please identify: A) the relationship to the facility and amount of interest held, B) the type of facility license held (e.g. nursing facility, etc.), C) the address of the facility, D) the state license #, E) Medicare provider #, F) any professional accreditation (e.g. JACHO, CHAP, etc.), and G) complete Appendix B 'Compliance Report' and submit it to the appropriate state agency (not applicable for Rhode Island facilities).

None

3. If any individual listed in response to Question 1 above, has any business relationship with the applicant, including but not limited to: supply company, mortgage company, or other lending institution, insurance or professional services, please identify each such individual and the nature of each relationship.
4. Have any individuals listed in response to Question 1 above been convicted of any state or federal criminal violation within the past 20 years? Yes ___ No X .

- If response to Question 4 is 'Yes', please identify each person involved, the date and nature of each offense and the legal outcome of each incident.

5. Please list all licensed healthcare facilities (in Rhode Island or elsewhere) owned, operated or controlled by any of the entities identified in response to Question 12 of the application. For each facility, please identify: A) the entity, applicant or principal involved, B) the type of facility license held (e.g. nursing facility, etc.), C) the address of the facility, D) the state license #, E) Medicare provider #, F) any professional accreditation (e.g. JACHO, CHAP, etc.), and G) complete Appendix B 'Compliance Report' and submit it to the appropriate state agency (not applicable for Rhode Island facilities).

N/A

6. Have any of the facilities owned, operated or managed by the applicant and/or any of the entities identified in Question 5 above during the last 5-years had bankruptcies and/or were placed in receiverships? Yes ___ No ___

N/A

- If response to Question 6 is 'Yes', please identify the facility and its current status.

2/13/13

Living Right - AccessPoint RI									
			Year 1		Year 2		Year 3		Total
Personnel:	Rate	FTE		Cum FTE		Cum FTE			
Clinic Director	40.87	1.0	85,010	1.0	85,010	1.0	85,010		255,029
Primary Care Provider: NP	40.87	0.5	42,505	1.0	85,010	1.5	127,514		255,029
Nurse Case Mgr	31.25	1.0	65,000	2.0	130,000	3.0	195,000		390,000
Peer Life/Wellness Coach	12.50	2.0	52,000	3.0	78,000	4.0	104,000		234,000
Peer Mentor	10.00	1.5	31,200	2.5	52,000	3.0	62,400		145,600
Pharmacist	57.70	0.2	24,003	0.2	24,003	0.2	24,003		72,010
Office Mgr	19.23	1.0	39,998	1.0	39,998	1.0	39,998		119,995
Project Liason	36.05	0.2	14,997	0.35	26,244	0.50	37,492		78,733
Executive Director	48.07	0.1	9,999	0.1	9,999	0.1	9,999		29,996
Human Resources	30.00	0.1	6,240	0.2	9,360	0.2	12,480		28,080
Finance/Controller	36.05	0.1	7,498	0.2	14,997	0.2	14,997		37,492
Operations	35.00	0.1	7,280	0.125	9,100	0.125	9,100		25,480
IT	30.00	0.25	15,600	0.25	15,600	0.25	15,600		46,800
Total Personnel			401,330		579,321		737,593		1,718,243
Taxes and Benefits *			152,505		220,142		280,285		652,932
Travel:	Mileage	FTE		Cum FTE		Cum FTE			
Clinic Director	1819	1.0	1,000	1.0	1,000	1.0	1,000		3,001
Primary Care Provider: NP	1455	0.5	400	1.0	800	1.5	1,200		2,401
Nurse Case Mgr	1455	1.0	800	2.0	1,601	3.0	2,401		4,802
Peer Life/Wellness Coach	1455	2.0	1,601	3.0	2,401	4.0	3,201		7,202
Peer Mentor	1091	1.5	900	2.5	1,500	3.0	1,800		4,200
Pharmacist	1455	0.2	160	0.2	160	0.2	160		480
Project Liason	1455	0.2	160	0.2	160	0.2	160		480
IT	1455	0.3	200	0.3	200	0.3	200		600
Travel			5,222		7,822		10,123		23,167
Adjunct Clinical Services - Direct Supp	Rate	FTE		Cum FTE		Cum FTE			
OT	65.00	0.2	27,040	0.2	27,040	0.2	27,040		81,120
PT	55.00	0.2	22,880	0.2	22,880	0.2	22,880		68,640
SLP	55.00	0.2	22,880	0.2	22,880	0.2	22,880		68,640
Dietician	55.00	0.2	22,880	0.2	22,880	0.2	22,880		68,640
Total Adjunct Clinical Services			95,680		95,680		95,680		287,040
MD Consultant/Oversight to NP			52,000		52,000		52,000		156,000
Stepping Up/Care NE- Community Based Organization Outreach, Employee/Contrator Recruitment, Career Advising/Advancement			30,000		30,000		30,000		90,000
Cleaning			12,000		12,000		12,000		36,000
Equipment Start-Up (Detail Attached)			53,934		-		-		53,934
Office/Tech Equipment, Furniture & Supplies			52,000		25,000		25,000		102,000
Rent/Utilities **			27,900		27,900		27,900		83,700
Other: Conferences			2,000		2,100		2,200		6,300
3rd Party Billing:									
4 visits per day (5 days) @ \$40 (6 vists yr2, 8 yr3)			(41,600)		(62,400)		(83,200)		(187,200)
Billing Fee - 8% of Revenue			3,328		4,992		6,656		14,976
Total			846,299		994,557		1,196,237		3,037,092
*Fringe Benefits at a rate of 38% (includes 7.65% FICA, 2% Unemployment, 6% Workers Compensation, Medical 20%, Disability/Life 2.35%)									
**\$18/sq ft, 1550 sq ft - 2 treatment rooms, patient waiting area, 2 offices, 1 conference room/meeting space, file storage, secure server area									

\$125.00

Living Right - AccessPoint RI			Year 1	Year 2	Year 3	Total
Personnel:	Rate	FTE	Cum FTE	Cum FTE	Cum FTE	
Clinic Director/Project Liaison	40.87	1.0	85,010	1.0	85,010	255,029
Primary Care Provider: NP	40.87	0.5	42,505	1.0	85,010	255,029
Nurse Case Mgr	31.25	1.0	65,000	2.0	130,000	390,000
Peer Life/Wellness Coach	12.50	2.0	52,000	3.0	78,000	234,000
Peer Mentor	10.00	1.5	31,200	2.5	52,000	145,600
Pharmacist	57.70	0.2	24,003	0.2	24,003	72,010
Office Mgr	19.23	1.0	39,998	1.0	39,998	119,995
IT	30.00	0.25	15,600	0.25	15,600	46,800
Total Personnel			355,316		509,621	1,518,462
Taxes and Benefits *			135,020		193,656	577,016
Travel			5,062		7,662	22,687
Adjunct Clinical Services - Direct Supp	Rate	FTE	Cum FTE	Cum FTE	Cum FTE	
OT	65.00	0.2	27,040	0.2	27,040	81,120
PT	55.00	0.2	22,880	0.2	22,880	68,640
SLP	55.00	0.2	22,880	0.2	22,880	68,640
Dietician	55.00	0.2	22,880	0.2	22,880	68,640
Total Adjunct Clinical Services			95,680		95,680	287,040
MD Consultant/Oversight to NP			52,000		52,000	156,000
Stepping Up/Care NE- Community Based Organization Outreach, Employee/Contrator Recruitment, Career Advising/Advancement			30,000		30,000	90,000
Cleaning			12,000		12,000	36,000
Equipment Start-Up (Detail Attached)			100,534		-	100,534
Office Equipment, Furniture & Supplies			30,000		20,000	70,000
Rent/Utilities **			27,900		27,900	83,700
Other: Conferences			2,000		2,100	6,300
3rd Party Billing:						
4 visits per day (5 days) @ \$40 (6 vists yr2, 8 yr3)			(41,600)		(62,400)	(187,200)
Fee - 8% of Revenue			3,328		4,992	14,976
Total Before Admin			807,240		893,211	2,775,515
Admin %			78,609		104,474	311,665
Total			885,849		997,685	3,087,179
*Fringe Benefits at a rate of 38% (includes 7.65% FICA, 2% Unemployment, 6% Workers Compensation, Medical 20%, Disability/Life 2.35%)						
**\$18/sq ft, 1550 sq ft - 2 treatment rooms, patient waiting area, 2 offices, 1 conference room/meeting space, file storage, secure server area						

AccessPoint RI
Living Rite
Job Description

TITLE: Clinical Director- Living Rite Center **AFFILIATE:** AccessPoint RI

REPORTS TO:	Agency Executive Director/ Vice President and Center Medical Director	POSITIONS SUPERVISED: Nurse practitioner, nurse case managers, office manager, ancillary professional staff, peer wellness coaches, peer mentors
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POSTION SUMMARY: Oversees all facets of primary care clinic and interdisciplinary team services and programming including licensing, family and consumer advocacy, intra-agency and community relations, fiscal management, programmatic issues, staff issues, and contracts.

QUALIFICATIONS: Master's Degree in Nursing or other Human Service field. 5 years progressive management leadership, or substantially equivalent combination of education and experience.
Must have valid driver's license, safe driving record, automobile insurance and own vehicle to be used as directed and when needed for transportation.
Must comply with all immunizations and screenings required by regulatory bodies.

ESSENTIAL FUNCTIONS:

- Liaison with University of Rhode Island (URI) Living Rite project principal investigator as well as all other URI team members to ensure program meets all standards set forth in contract.
- Liaison with CMS team members as appropriate to ensure compliance with all Healthcare Innovation Award standards.
- Works with agency leadership and medical director to establish current and long-range objectives, plans, and policies for the program within the context of requirements from URI as contracting agency and CMS as grantor.
- Responsible for certification and/or licensing requirements for the program and all services.
- Works closely with URI team members and other Monitoring Committee members to ensure delivery of data necessary to evaluate individual and population outcomes.
- Secures and supervises all Center staff and ancillary professional personnel.
- Provides advice, guidance, direction, and authorization to staff to carry out major plans and procedures consistent with established policies.
- Oversees the adequacy and soundness of the Program's financial and operational structures.
- Closely monitors operations including the monitoring and auditing of all fiscal and human resource activities, developing and submitting agency budgets and operational plans, and ensuring the financial and operational integrity of the program.
- Reviews program operating results, compares them to established objectives, and takes steps to ensure that appropriate measures are taken to correct unsatisfactory results.

AccessPoint RI
Living Rite
Job Description

- Assists with providing representation and diplomatic leadership to clients, stakeholders, outside businesses, government entities, and the public in advocating for and driving the organization's initiatives.
- Monitors industry 'Best Practices' and leads team to incorporate into program.
- Establishes and maintains progressive and effective networks of communication to create support and understanding for department initiatives and an openly accessible environment for all employees and stakeholders.
- Effectively resolves conflict.
- Leads, directs, and tracks performance management programs to ensure that direct reports are developing and applying fair standards consistent with organization policies and procedures and are used as a means to develop employees.
- Builds teams that endorse and support measurable quality initiative processes to boost level of quality standards; assures that all teams bring people together in the common interest of the organization.
- May provide 24-hour, on call coverage for the department.
- Assists with advocating on an organizational and state level for the protection of the rights and dignities of individuals with developmental disabilities and the extension of those rights and dignities to family members or guardians.
- Upholds and complies with all safety programs and policies to maintain a safe work environment for employees, clients, family members and visitors.
- Supervises and directs staff towards the development and maintenance of high quality supportive services. This includes mentoring staff to follow through on timely performance appraisals, disciplinary and employee relations, wage and salary, and interview and hiring processes.
- Solicit and coordinate stakeholder involvement in the direction of program and services for individuals.
- Protects the rights and dignities of individuals with developmental disabilities and extend these rights and dignities to family members or guardians.
- Upholds and complies with all safety programs and policies to maintain a safe work environment for employees, clients, family members and visitors.
- Commits to organizational quality initiatives by participating in programs that will assure quality improvement and team processes.
- Adheres to principles for the ethical conduct of research.

ADDITIONAL RESPONSIBILITIES:

AccessPoint RI
Living Rite
Job Description

PHYSICAL REQUIREMENTS: The physical demands and work environment characteristics described here are representative of those that must be met by an employee to successfully perform the essential functions of this position. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Physical demands: Sitting, pushing, pulling, carrying, grasping, speaking, listening, stooping, crouching, bending, standing, twisting, crawling, walking, climbing. May be required to lift up to seventy-five (75) pounds or up to two-hundred (200) pounds with assistance.

Work environment: Office Environment. May travel to multiple locations.

STATUS: Exempt

STATE CROSS REFERENCE: : N/A

AccessPoint RI
Living Rite
Job Description

General sign-off: The employee is expected to adhere to all company policies and to act as a role model in the adherence to policies. This document does not constitute a contract and does not supersede the *employment-at-will* condition.

I have read and understand my job description.

Employee

Date

Employee Printed Name

Supervisor

Date

Supervisor Printed Name

For HR use only.

EEO CATEGORY:

- | | |
|--|---|
| <input type="checkbox"/> 1.1 Executive/Senior-level Official | <input type="checkbox"/> 5.0 Administration/Support |
| <input type="checkbox"/> 1.2 First/Mid-level Manager | <input type="checkbox"/> 6.0 Craft Worker |
| <input type="checkbox"/> 2.0 Professional | <input type="checkbox"/> 7.0 Operative |
| <input type="checkbox"/> 3.0 Technician | <input type="checkbox"/> 8.0 Laborer/Helper |
| <input type="checkbox"/> 4.0 Sales Worker | <input type="checkbox"/> 9.0 Service Worker |

FLSA STATUS:

- Hourly
- Nonexempt
- Exempt

Describe: fender bender in a parking lot

Have you been convicted of violations of motor vehicle laws or ordinances (other than parking) in the last 3 years? No

Describe: N/A

References

List two references familiar with your recent work whom we may contact.

1. Name	Rory Carmody	Phone Number	401-942-3445
Position Title	Director, Program Development	Company Name	AccessPoint RI
2. Name	Mary Madden	Phone Number	N/A
Position Title	Acting Director/CEO	Company Name	Training Thru Placement

Signature

I understand and agree that this agency will complete a criminal conviction and driving record check as a part of the selection process for employment, and that all employment offers will be contingent on the results of this background investigation. I understand and agree that, if hired, my employment is for no definite period and may, regardless of the date of payment of my wages and salary, be terminated at any time without any prior notice.

The information provided in this Application for Employment is true, correct, and complete. If employed, any misstatement or omission of fact on this application may result in my dismissal.

I understand that acceptance of an offer of employment does not create a contractual obligation upon the employer to continue to employ me in the future.

If you decide to engage an investigative consumer reporting agency to report on my credit history or personal history, I authorize you to do so. If a report is obtained you must provide, at my request, the name and address of the Agency so I may obtain from them the nature and substance of the information contained in the report.

I authorize AccessPoint RI to contact any or all of my former employers or any of the references I supplied, for the purpose of verifying any information, whether favorable or unfavorable, about me or my employment with any former employer, except as noted below.

Please accept this application in confidence and refrain from contacting my current employer - The J.Arthur Trudeau Memorial Center.

By checking this box, I state that I have read the above statements, and fully understand and agree: on

Signature: Type your full name: Joanne Savoie Date: N/A

Joanne M. Savoie, MA, CRC

29 Helen Avenue
Coventry, RI 02816
401.203.7406
jmsavoie@verizon.net

Objective: To secure an advanced position in rehabilitation services that will best utilize my skills, experience and education, while presenting the opportunity for professional growth.

Summary of Qualifications

- An experienced human services professional with demonstrated success in developing and monitoring innovative service models and evaluating alignment of services with operational goals and objectives.
- Extensive experience in management of special projects from ideation to execution including budget development and monitoring; process improvement; and regulatory compliance and reporting.
- Excellent communication skills; ability to effectively interact with internal and external stakeholders related to strategic initiatives.

Professional Experience

J. Arthur Trudeau Memorial Center

3445 Post Road, PO Box 7789, Warwick, Rhode Island 02886
Director, Adult Day Habilitation & Vocational Rehabilitation Services 2004-present
Program Coordinator, Community & Family Support Services 1994-1999

State of Rhode Island Dept. Human Services, Office of Rehabilitation Services

40 Fountain Street, Providence, Rhode Island 02903
Vocational Rehabilitation Counselor I- Transition Specialist, Region X 2001-2004

Cranston Arc (Access Point RI)

111 Comstock Parkway, Cranston, Rhode Island 02920
Director, The Support Network 1999-2001
Residential Assistant 1989-1992
Community Coordinator 1987-1989
Residential Assistant Manager 1986-1987

Martha's Vineyard Community Services

Vineyard Haven, Massachusetts
Program Coordinator, Residential Support Services 1992-1994

John E. Fogarty Center/Greater Providence Arc

220 Woonasquatucket Avenue, Providence, Rhode Island 02911
Direct Support Professional 1983-1992

Education

- M.A. Rehabilitation Counseling, Assumption College, Worcester, Massachusetts
- B.A. Psychology, University of Rhode Island, Kingston, Rhode Island

Joanne M. Savoie
29 Helen Avenue
Coventry, RI 02816

March 6, 2013

Thomas Kane
President/CEO
Access Point RI
111 Comstock Parkway
Cranston, RI 02921

Dear Mr. Kane:

Please accept my attached resume in consideration for the position Living Rite Clinic Director.

I am an experienced rehabilitation professional, having worked in a variety of settings, primarily with individuals with intellectual and developmental disabilities. I have extensive experience in program management and project management in the developmental disabilities field.

I am quite familiar with the Living Rite proposal and am confident of the skills I can bring to the Living Rite Clinic Director position; I look forward to the opportunity to review them with you on Thursday, March 7, 2013.

I appreciate the opportunity to meet with you and learn more about Access Point RI's implementation of the Living Rite proposal. In the event the storm forecasted for our region impacts our appointment, please feel free to contact me at 401.829.7406.

Thank you in advance for your consideration.

Sincerely,

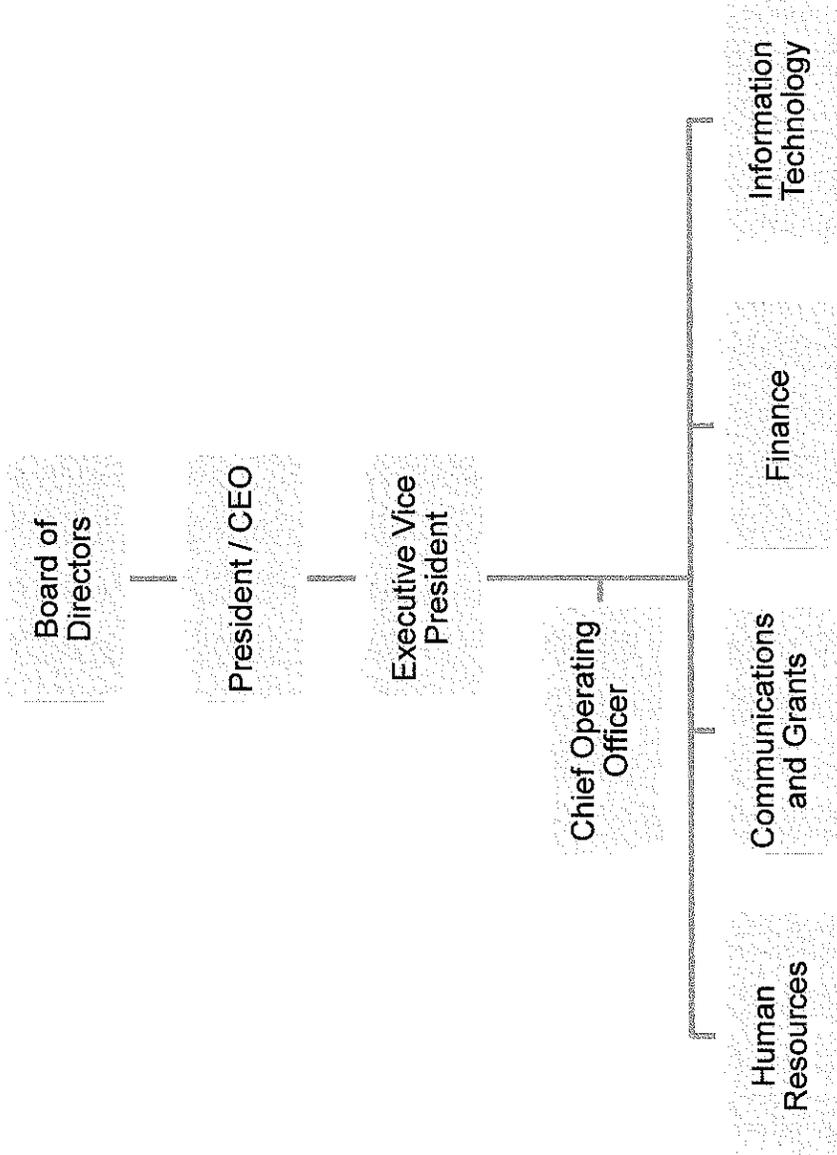
Joanne M. Savoie

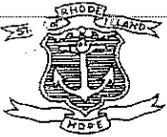
The Keystone Group
(Parent Corporation)
EIN 27-1974358



AccessPoint RI
EIN 05-6015153

Looking Upwards
EIN 05-0376075





STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Administration

No 29

STATE PROPERTIES COMMITTEE
One Capitol Hill
Providence, RI 02908

CERTIFICATE OF DISCLOSURE OF CORPORATION

I, Walter McGarry, Secretary of CranstonArc, under oath make affidavit
(state full name of corporation)
and say that the following, the officers and directors of said nonprofit corporation,
(identify as business, non-business, professional)

having been duly elected and/or appointed to:

President A. Michael Marques
Vice President _____
Treasurer Thomas Hogg
Secretary Walter McGarry

State of Incorporation Rhode Island

Principle Place of Business 111 Comstock Parkway, Cranston, RI 02920

DIRECTORS

Name	Address
<u>A. Michael Marques</u>	<u>33 Sharon Drive, Coventry, RI 02816</u>
<u>Tom Hogg</u>	<u>480 Comstock Parkway, Cranston, RI 02921</u>
<u>Walter McGarry</u>	<u>29 Valley Street, Cranston, RI 02920</u>
<u>Nancy Webber</u>	<u>650 East Greenwich Avenue, No. 5, Apt. 209, West Warwick, RI 02893</u>
<u>Marie Bianco</u>	<u>49 Allen Avenue, Cranston, RI 02910</u>

Additional Directors listed on
attached sheet.
Name

STOCKHOLDERS

Address

Property under lease to/from the State of Rhode Island covered by this certificate:

Location: 1240 Park Avenue, Cranston, RI 02920

State Offices Occupying Property (if any): None

In witness whereof I have hereunto set my hand and the seal of the said CranstonArc
(hereunto duly authorized) this 28 day of September 2010

By Walter McGarry, its Secretary.

STATE OF RHODE ISLAND
COUNTY OF Providence

Subscribed and sworn to before me at 12:45 p.m. this 28th day of September 2010.

Joyce M. Wilson
NOTARY PUBLIC

Attachment Page for Certificate of Disclosure of Corporation—Directors (continued)

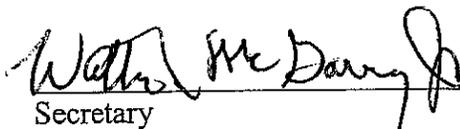
Kevin DelBonis	Knightsville Manor, Apt. 1306, 85 Briggs Street, Cranston, RI 02920
Valerie Izzi	44 Torrington Drive, Warwick, RI 02889
Elaine Lyden	430 Central Avenue, Johnston, RI 02919
Beverly Najarian	32 Regina Drive, West Greenwich, RI 02817
Peter Rotelli	26 Bridgham Farm Road, Rumford, RI 02916
Robert Salvagna	Riveredge Village, Apt. 207, 993 Manton Avenue, Providence, RI 02909
Veronica Vacca	154 Park Forest Road, Cranston, RI 02920

CERTIFICATE OF AUTHORITY

I, Walter McGarry, certify that I am the
Secretary of CranstonArc,
the corporation described in and which executed the foregoing instrument with the State
of Rhode Island; that said corporation is organized under the laws of the State of Rhode
Island, that the corporate seal affixed to said instrument is the seal of said corporation;
that Thomas P. Kane, who executed said instrument as
President and CEO of said corporation, was then President and CEO
of said corporation and has been duly authorized to execute said instrument in behalf of
said corporation; that I know the signature of said Thomas P. Kane; and
that the signature affixed to such instrument is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
corporate seal of said corporation, this 28 day of September,
A.D. 20 10.

Walter McGarry


Secretary



dignity, respect, choice for people with disabilities

Mailing Address: P.O. Box 20130, Cranston, RI 02920

Thomas P. Kane
Executive Director

August 19, 2009

Re: 1240 Park Ave. Cranston, RI 02920

Mr. Craig Stenning
Director
State of Rhode Island
Department of MHRH
14 Harrington Rd.
Cranston, RI 02920

Dear Director Stenning,

This letter is to confirm that I am in receipt of the keys to 1240 Park Ave. in Cranston, which CranstonArc will be leasing from your Department. Attached, please find a Certificate of Liability Insurance, listing the Department as an additional insured with regard to general liability.

We are in the process of having the utilities switched over to CranstonArc. We will also be in touch with our fire alarm company to arrange for quarterly inspections once the building is occupied.

Please feel free to call me if you have any questions. 941-1112.

Sincerely,

A handwritten signature in black ink that reads "Kevin J. McHale". The signature is fluid and cursive, with the first name being the most prominent.

Kevin J. McHale
Chief Operating Officer

cc P. Grenon

Client#: 32238

CRANS23

ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 08/19/09
PRODUCER Mastors & Servant, Ltd. 5700 Post Road P.O. Box 1158 East Greenwich, RI 02818	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Cranston Arc 111 Comstock Pkwy Cranston, RI 02920	INSURERS AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Insuranc INSURER B: INSURER C: INSURER D: INSURER E:	NAIC #

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS		
A		GENERAL LIABILITY	PHPK425249	06/01/2009	06/01/2010	EACH OCCURRENCE	\$1,000,000	
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000	
		<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				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	
		GEN'L AGGREGATE LIMIT APPLIES PER:						
		<input type="checkbox"/> POLICY				<input type="checkbox"/> PROJ-JECT	<input type="checkbox"/> LOC	
		AUTOMOBILE LIABILITY						
		<input type="checkbox"/> ANY AUTO						COMBINED SINGLE LIMIT (Ea accident)
<input type="checkbox"/> ALL OWNED AUTOS			BODILY INJURY (Per person)	\$				
<input type="checkbox"/> SCHEDULED AUTOS			BODILY INJURY (Per accident)	\$				
<input type="checkbox"/> HIRED AUTOS			PROPERTY DAMAGE (Per accident)	\$				
<input type="checkbox"/> NON-OWNED AUTOS								
GARAGE LIABILITY								
<input type="checkbox"/> ANY AUTO						AUTO ONLY - EA ACCIDENT	\$	
EXCESS / UMBRELLA LIABILITY								
<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE						OTHER THAN EA ACC AGG	\$	
<input type="checkbox"/> DEDUCTIBLE						EACH OCCURRENCE	\$	
RETENTION \$						AGGREGATE	\$	
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY								
ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						WC STATU-TORY LIMITS	OTH-ER	
If yes, describe under SPECIAL PROVISIONS below						E.L. EACH ACCIDENT	\$	
OTHER						E.L. DISEASE - EA EMPLOYEE	\$	
						E.L. DISEASE - POLICY LIMIT	\$	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Department of MHRH is listed as additional insured with regard to general liability only
 Loc# 24 - 1240 Park Ave; Cranston, RI

CERTIFICATE HOLDER

CANCELLATION

10 Days for Non-Payment

State of Rhode Island Dept. of MHRH 6 Harrington Rd Cranston, RI 02920	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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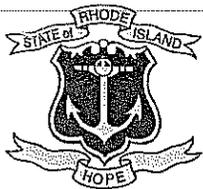
IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



State of Rhode Island and Providence Plantations

A. Ralph Mollis

Secretary of State

Certification Number: 12082813690

The office of the Secretary of State of the State of Rhode Island and Providence Plantations, HEREBY CERTIFIES, that

AccessPoint RI

a Rhode Island non-profit corporation, filed original articles of association in this office on

November 09, 1965

Effective

November 09, 1965

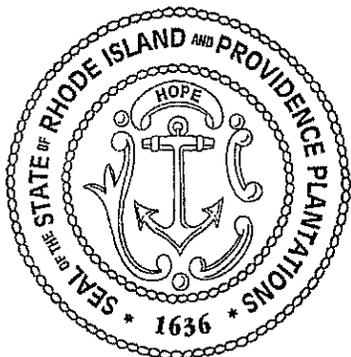
IT IS FURTHER CERTIFIED that as of this date said corporation is duly organized and existing under and by virtue of the laws of the State of Rhode Island and is in good standing according to the records of this office.

SIGNED AND SEALED ON

Wednesday, August 01, 2012

Secretary of State

Authorized Agent



1/0.27

Filing Fee: \$10.00

ID Number: 31044



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIVISION
2012 JUL 23 AM 10:22

Pursuant to the provisions of Section 7-6-40 of the General Laws of Rhode Island, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is CRANSTON ARC

2. The following amendment to the Articles of Incorporation was adopted by the corporation:

[Insert Amendment]

The corporation known as Cranston Arc
is changing its name to AccessPoint etc.
(motion is attached)

FILED

Form No. 201
Revised: 12/05

JUL 23 2012
BY [Signature] #171039

3. The amendment was adopted in the following manner:

(check one box only)

- The amendment was adopted at a meeting of the members held on _____, at which meeting a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast.
- The amendment was adopted by a consent in writing on _____, signed by all members entitled to vote with respect thereto.
- The amendment was adopted at a meeting of the Board of Directors held on 7/19/12 and received the vote of a majority of the directors in office, there being no members entitled to vote with respect thereto.

4. Date when amendment is to become effective UPON Filing
(not prior to, nor more than 30 days after, the filing of these Articles of Amendment)

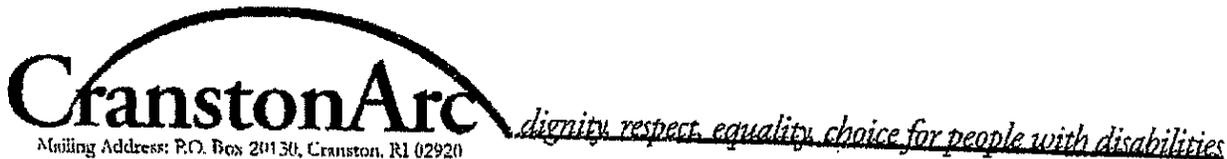
Under penalty of perjury, we declare and affirm that we have examined these Articles of Amendment to the Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: 07-23-12

Cranston Arc
Print Corporate Name

By Walter McPang
 President or Vice President (check one)

AND
By John W. McArthur
 Secretary or Assistant Secretary (check one)



Thomas P. Kane
President and CEO

At a special meeting of the Board of Directors held on Thursday, July 19, 2012 at which a quorum was present, Elaine Lyden made a motion that CranstonArc, having disaffiliated with the National Arc, will change the corporate name from CranstonArc to AccessPoint RI, and to direct the CEO to submit all required information to the RI Secretary of State's Office to effect the name change.

The motion was seconded by Kevin Flynn and with no opposition or discussion, the Board of Directors unanimously approved that CranstonArc change its name to AccessPoint RI.

This motion for name change was approved by the CranstonArc Board of Directors on July 17, 2012.

Walter McGarry
By Walter McGarry, Vice President

07-23-12
Date

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIV
2012 JUL 23 AM 10:22



State of Rhode Island and Providence Plantations

A. Ralph Mollis
Secretary of State

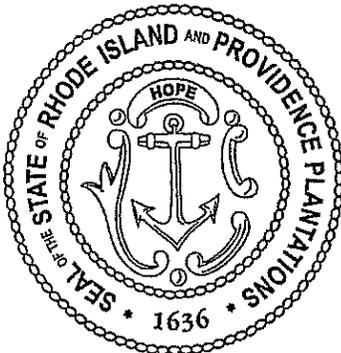
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

I, A. RALPH MOLLIS, Secretary of State of the State of Rhode Island
and Providence Plantations, hereby certify that this document, duly
executed in accordance with the provisions of Title 7 of the General Laws
of Rhode Island, as amended, has been filed in this office on this day:
July 23, 2012 10:22 AM

A handwritten signature in black ink that reads "A. Ralph Mollis".

A. RALPH MOLLIS

Secretary of State



July 23, 2012

AccessPoint RI
AMENDED BYLAWS

1. PURPOSE

1.1. Purposes. AccessPoint RI, successor by name change to CranstonARC, a Rhode Island non-profit corporation (the "Corporation") is constituted primarily for the purpose of: promoting the human rights of persons with mental retardation and developmental disabilities; advocating that each person receive a variety of life experience that will enable him/her to actively participate in his/her community and to assure a social role of dignity and value; advocating that each individual have the opportunity to choose his/her own lifestyle, occupation, residence, friends and leisure; supporting families in their role of assisting each individual in achieving security, personal satisfaction and quality of life; advocating for and promoting activities that prevent the incidence of development disabilities; providing a resource for the community for the gaining of information and assistance regarding any and all opportunities for all persons with disabilities; cooperating with all public, private and religious agencies and professional groups in the furtherance of these ends; soliciting or receiving funds for the accomplishment of the above purposes; and operating and maintaining the Corporation.

1.2. Non-Profit. The Corporation is a non-profit corporation organized exclusively for charitable purposes as specified in Section 501(c)(3) of the Code and

shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code. No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided by Section 501(h) of the Code), or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

1.3. Powers. The Corporation shall have the power, either directly or indirectly, either alone or in conjunction and/or cooperation with others, to do any and all lawful acts and things and to engage in any and all lawful activities which may be necessary, useful, suitable, desirable or proper for the furtherance, accomplishment, fostering or attainment of any or all of the purposes for which the Corporation is organized, and to aid or assist other organizations whose activities are such as to further accomplish, foster, or attain any of the Corporation's purposes. Notwithstanding anything herein to the contrary, the Corporation shall exercise only such powers as are in furtherance of the exempt purposes of organizations as set forth in Section 501(c)(3) of the Code and the rules and regulations promulgated thereunder.

1.4. Prohibition on Inurement; Dissolution. The Corporation is not organized for profit and no part of the net earnings of the Corporation shall inure to the benefit of any Director or officer except that reasonable compensation may be paid to officers for services rendered to and for the Corporation. In the event of the liquidation of the Corporation, whether voluntary or involuntary, no Director or officer shall be entitled to any distribution or division of the Corporation's property or the proceeds thereof, and upon such liquidation, the balance of all money, assets and other property of the

Corporation, after the payment of all its debts and obligations, shall be distributed to one or more organizations exempt from federal income taxation under Section 501(a) of the Code as an organization described in 501(c)(3) of the Code, or a corresponding section of any future federal tax code, as determined by the Corporation's Board of Directors.

1.5. Director Immunity No Director shall be personally liable to the Corporation for monetary damages for breach of the Director's duty as a Director; provided, however, that the foregoing shall not eliminate or limit the liability of a Director (i) for any breach of the Director's duty of loyalty to the Corporation; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) for any transaction from which the Director derived an improper personal benefit.

2. OFFICES

2.1. Principal Office. The principal office of the Corporation shall be located at 111 Comstock Parkway, Cranston, Rhode Island or such other location as the Board of Directors shall determine. The Corporation may have such other offices or places of business, either within or outside the State of Rhode Island, as the business of the Corporation may require and as the Board of Directors may from time to time establish.

2.2. Registered Office. The registered office of the Corporation need not be identical to its principal office and shall be located wherever the Board of Directors shall determine. The registered office may be changed from time to time by the Board of Directors in compliance with the provisions of applicable law.

3. MEMBERS

3.1. Classes of Member. The Corporation shall have two classes of member: (1) a "Corporate Member" which shall be The Keystone Group ("Keystone"), a newly formed Rhode Island non-profit corporation that intends to qualify for exemption under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code; and (2) "Individual Members." The individual members of the Corporation immediately prior to the adoption of these Bylaws shall be the initial Individual Members under these Bylaws. The Board of Directors shall have the power to elect or remove Individual Members. Except as otherwise specifically provided in these Bylaws, the Corporate Member shall have all voting rights accorded members under the Rhode Island Non-Profit Corporation Act, or any successor statute. Individual Members will not have voting rights.

3.2. Action by Corporate Member. Any action required or permitted to be taken by the Corporate Member shall be deemed duly taken upon the action of its Board of Directors or its duly authorized representative.

3.3. Resignation of Corporate Membership Prohibited. The Corporate Member may not resign.

3.4. Place of Meeting. All annual and special meetings of the Corporate Member will be held at such time and place, either within or without the State of Rhode Island, as will be stated in the notice of the meeting.

3.5. Annual Meetings. There shall be an annual meeting of the Corporate Member whenever necessary to elect Directors to the Corporation's Board. Since Section 4.2 below specifies that the Board of Directors of the Corporation will be self-perpetuating, there will not ordinarily be a need for an annual meeting of the Corporate

Member. If such a meeting is necessary or appropriate, the meeting will be held at a time and location to be determined by the Corporation's Board of Directors. In the event of the failure to hold an annual meeting at any time or for any cause, any and all business that might have been transacted at that annual meeting may be transacted at the next succeeding meeting, whether special or annual.

3.6. Special Meeting. A special meeting of the Corporate Member, for any purpose or purposes, may be called by the Chair or by the Board of Directors, and shall be called by the Chair upon request of the Corporate Member.

3.7. Notice of Meetings. Written notice of each annual or special meeting stating the place, day and hour of the meeting will be given by or at the direction of the Chair, the Secretary or the person or persons calling the meeting to the Corporate Member not less than ten (10) nor more than sixty (60) days before the meeting.

3.8. Quorum. The quorum for annual and special meetings of the Corporate Member shall be the presence in person of a quorum of the Board of Directors of the Corporate Member, or the presence in person or by proxy of an authorized representative of the Corporate Member.

3.9. Proxies. The Corporate Member may vote by proxy. No proxy will be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

3.10. Consent Votes. Any action required or permitted to be taken at a meeting of the Corporate Member may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by an authorized representative of the Corporate Member.

4. BOARD OF DIRECTORS

4.1. General Powers. The property, affairs and business of Corporation shall be managed by the Board of Directors ("Board"), and the Board shall have, and may exercise, all of the powers of Corporation.

4.2. Composition. The Board shall consist of not more than thirty directors nor fewer than ten, said number to be established from time to time by the Board. Any Directors proposed for election or re-election will be elected by vote of the then sitting Board, based on nominations from the Nominating Committee, but including nominations from the floor, if made. The President & CEO of Keystone, or his or her designee, shall be a Director of the Corporation, ex officio, with vote.

4.3. Quorum and Voting.

A. Regular Decision Making. A quorum for the transaction of business at any meeting of the Board shall require the presence in person or by telephone conference call of a majority of the entire Board. If a quorum shall not be present at any meeting of the Board, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Each Director entitled to vote shall have one (1) vote on any matter that is properly presented at a meeting of the Directors. Directors may not vote by proxy. Unless the act of a greater number of Directors is required by the Non-Profit Corporation Act, the Articles of Incorporation or these Bylaws, the act of a majority of the Directors entitled to vote and present at a meeting at which a quorum is present shall be the act of the Board.

B. Parent Major Decisions. Notwithstanding the foregoing, authorizing one of the decisions listed below ("Parent Major Decisions") will require the affirmative vote of the Corporation's Board and the affirmative vote of at least two-thirds (2/3) of the Corporate Member's Directors who are present at a meeting of the Corporate Member's Board at which a quorum is present:

- (a) Adopting annual operating or capital budgets;
- (b) Authorizing off-budget transactions of \$50,000 or more;
- (c) Organizing or acquiring an affiliate or subsidiary, including becoming the corporate member of any other non-profit organization;
- (d) Authorizing the filing of any receivership, bankruptcy or similar proceeding;
- (e) Authorizing the sale or other transfer of all or substantially all of the Corporation's assets;
- (f) Authorizing the dissolution, merger or consolidation of the Corporation; or
- (g) Amending the Corporation's Articles or Bylaws.

C. CEO Major Decisions Authorizing one of the decisions listed below will require the affirmative vote of the Corporation's Board and approval by the Corporate Member's President & CEO:

- (a) Authorizing off-budget transactions that are \$10,000 or more, but less than \$50,000;
- (b) Borrowing money, unless already approved in the current budget;
- (b) Opening or closing locations or service lines;
- (c) Authorizing the sale of any real estate owned by the Corporation; or
- (d) Authorizing the Corporation to contract directly or indirectly with third party payers.

4.4. Directors' Consent Vote. Any action that may be taken by the Board at a meeting may be taken without a meeting if all of the Directors consent to the action in writing, or by electronic transmission, before or after the action is taken. Such written consent or consents, or copies of the electronic transmissions, shall be filed with the minutes of the proceedings of the Board.

4.5. Term. Directors shall hold office for terms of three (3) years or until their successors are appointed and qualified. Directors shall be eligible to serve an unlimited number of consecutive terms. Directors may be removed by the Board only for cause as a "Parent Major Decision." The Corporate Member shall also be entitled to remove Corporation Directors with or without cause as a "Major Decision" as such term is described in the Corporate Member's Bylaws.

4.6. Annual Meeting. The annual meeting of the Board shall be held at a time and place designated by the President for the purposes of electing such Directors and officers and transacting such other business as may properly come before the meeting. If for any reason the annual meeting of the Board shall not be held, the President shall cause a special meeting to be held in lieu of the annual meeting of the Board as soon thereafter as is convenient.

4.7. Meetings. The Boards may hold meetings, both regular and special, either within or without the State of Rhode Island. Regular meetings may be specified by the President. Special meetings of the Board shall be called on the written request of two (2) Directors or the President, on at least five (5) days notice to each Director; provided, however, that a special meeting may be called upon twenty-four (24) hours notice if such notice is given personally or by telephone to each Director. Meetings of

the Directors or any committee thereof may be held by means of a telephone conference or other similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means will constitute presence in person at such meeting.

4.8. Notices. Notice of any meeting shall be given at least five (5) days prior thereto in person, by telephone, email or facsimile to each Director at the contact information provided by the Director. Lack of proper notice may be cured by written waiver signed by said Director.

4.9. Waiver of Notice. The attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any written waiver of notice of such meeting.

4.10. Prohibition of Compensation. Directors may not be paid compensation for performance of their duties as Directors except that Directors may be reimbursed for out-of-pocket expenses spent in performance of their duties as Directors. No Director shall be precluded from serving the Corporation in any other capacity and receiving compensation therefor.

5. OFFICERS

5.1. Number. The principal officers of the Corporation shall be a Chair, a Vice-Chair, a Secretary, a Treasurer and a President & CEO (collectively the "Principal Officers".) The Board may also appoint other officers as it considers necessary or

appropriate, including one or more vice or assistant officers, and with such titles as it may deem necessary or convenient. Any two or more offices may be held by the same person with the exception of the offices of President & CEO and Secretary. Each Principal Officer, except the President, must be elected from the Board. Any two (2) or more offices may be held by the same person, except the offices of Chair and Secretary.

5.2. Election and Term of Office. The Principal Officers, except the President & CEO, shall be elected for a one (1) year term at the annual meeting of the Board and may be re-elected twice, for a maximum of three (3) consecutive years in the same office. The President & CEO shall serve at the pleasure of the Board. Each elected Principal Officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until such officer's death or resignation or removal in the manner hereinafter provided.

5.3. Chair. The Chair shall preside at all meetings of the Board at which the Chair is present. In the absence of the Chair, the Vice-Chair shall preside at meetings of the Board and shall have all other authority ordinarily possessed by the Chair.

5.4. Vice-Chair. The Vice-Chair shall, in the absence or disability of the Chair, perform the duties and exercise the powers of the Chair, and shall perform such other duties and have such other powers as the Board or President may from time to time prescribe.

5.5. President & CEO. The President & CEO shall be the chief executive officer and spokesperson of the Corporation and, subject to the direction and under the supervision of the Board, shall have general charge of the business, affairs and

property of the Corporation, and control over its officers, agents and employees. The President shall execute, on behalf of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed except in cases where the signing and execution or delegation thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. The President shall do and perform all duties incident to the office of President & such other duties as may be assigned to the President by these Bylaws or by the Board.

5.6. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records; and (d) perform such other duties as the Board or the President shall designate.

5.7. Treasurer. The Treasurer shall be responsible: (a) for all funds and securities of the Corporation; (b) receiving and giving receipts for moneys due and payable to the Corporation from any source whatsoever, and depositing all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; and (c) such other duties as the Board or the President shall assign.

5.8. Removal. Any officer may be removed by a vote of at least the majority of Directors whenever in their judgment the best interests of the Corporation will be served thereby. Election of an officer shall not of itself create any contractual rights.

5.9. Resignations. Any Principal Officer may resign at any time by giving written notice to the Chair, Secretary or the Board. The resignation shall take effect at the time specified in the notice, and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective.

5.10. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board for the unexpired portion of the vacated term.

6. COMMITTEES

6.1. Standing and Ad Hoc Committees. In addition to the standing committee created pursuant to this Article 6, the Board may designate one or more ad hoc committees. If any ad hoc Committee shall be formed, a majority of members of any Committee shall constitute a quorum for the transaction of business. The Chair shall appoint the Chair and members of each committee and may remove one or more committee members at any time. The designation of any Committee and the delegation thereto of authority shall not operate to relieve any Director of any responsibility imposed by law. Any member of any Committee of the Corporation may resign at any time by providing written notice to the Committee Chair or to the Secretary.

6.2. Nominating Committee. The charge of the Nominating Committee shall be to identify persons for nomination as Directors, Principal Officers and off-board committee members of the Corporation in accordance with these Bylaws and any other specifications provided by the Board from time to time. At least one member of the Nominating Committee shall be an Individual Member.

7. CONFLICTS OF INTEREST

7.1. Purpose. The purpose of this provision is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to non-profit corporations.

7.2. Definitions.

A. Interested Person. Any Director, Principal Officer, or member of a Committee who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through employment, business, investment or family:

(i) a financial interest in any entity with which the Corporation has a transaction or arrangement, or

(ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(iii) an ownership or investment interest in the Corporation, or

(iv) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

7.3. Procedures.

A. Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the Directors and members of Committees with Board-delegated powers considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the interested person shall leave the Board of Directors or Committee meeting while the financial interest is discussed and voted upon. Those remaining Board of Directors or Committee members shall decide if a conflict of interest exists. If no conflict of interest exists, the interested person may return to participate in discussion and voting on the matter. If a conflict of interest does exist, the interested person is not precluded from making a presentation to the board or Committee regarding the transaction or arrangement. However, before the Board or Committee discusses and votes on the transaction or arrangement, the interested person must leave the meeting and may not vote.

C. Procedures for Addressing the Conflict of Interest.

(i) The President shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.

(ii) After exercising due diligence, the Board or Committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(iii) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or Committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

7.4. Violations of this Provision.

A. If the Board of Directors or Committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

B. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board or Committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

7.5. Records of Proceedings. The minutes of the Board and all Committees with Board-delegated powers shall contain:

A. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the decision as to whether a conflict of interest in fact existed.

B. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

7.6. Annual Statements. Each Director, officer and member of a Committee with Board-delegated powers shall annually sign a statement which affirms that such person:

- A. has received a copy of this Article VII;
- B. has read and understands its provisions; and
- C. has agreed to comply with it.

8. CONTRACTS, LOANS, CHECKS AND DEPOSITS

8.1. Contracts. The Board may authorize any officer or officers or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

8.2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority shall be confined to specific instances. No loan shall be made by the Corporation to any Director.

8.3. Checks, Drafts or other Similar Orders. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers or agent or agents

of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

8.4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

9. LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

9.1. Liability. No Director shall be personally liable to the Corporation for monetary damages for breach of the Director's duty as a Director, provided, however, that the foregoing shall not eliminate or limit the liability of a Director: (i) for any breach of the Director's duty of loyalty to the Corporation; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) for any transaction from which the Director derived an improper personal benefit.

9.2. Indemnification and Insurance. The Corporation shall indemnify Directors, officers and employees acting in their capacity as such or serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement arising from any threatened, pending or completed action, suit or proceeding, to the fullest extent permitted by Section 7-6-6 of the Rhode Island Non-Profit Corporation Act, or any successor indemnification provisions or as otherwise provided by law. Notwithstanding the above, the Corporation shall provide such indemnification only to the extent and in a manner that shall not jeopardize the Corporation's status as an organization described in Section 501(c)(3) of the Code or constitute an "Excess Benefit Transaction" within

the meaning of Section 4958 of the Code. The Board may authorize the Corporation to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Corporation, or serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity or arising out of his or her status as such, provided such persons agree to treat payments made pursuant to such insurance in such a manner as would make the payment of benefits thereunder not constitute an Excess Benefit Transaction.

9.3. Advancement of Expenses. The Corporation may pay the expenses of the indemnified person in advance of the final disposition of any proceedings against such person except to the extent that the defense of a claim against the indemnified persons undertaken pursuant to any Director's and officer's liability insurance (or equivalent insurance known by another term) maintained by the Corporation. The advance payment of expenses will be subject to the indemnified person's first agreeing in writing with the Corporation to repay the sums paid by it in accordance herewith if it is thereafter determined that the indemnified person was not entitled to indemnity under these Bylaws or that such indemnification would constitute an Excess Benefit Transaction.

9.4. Rights not Exclusive. The rights provided hereunder will not be deemed exclusive of any other rights to which the indemnified person may be entitled under any agreement, vote of disinterested Directors or otherwise, both as to action in the indemnified person's official capacity and as to action in any other capacity while

holding such office, and will continue after the indemnified person ceases to serve the Corporation as an indemnified person.

10. FISCAL YEAR.

The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June.

11. AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board at any annual, regular or special meeting in the manner specified in Section 4.3.(B)

No. 27



State of Rhode Island and Providence Plantations

A. Ralph Mollis

Secretary of State

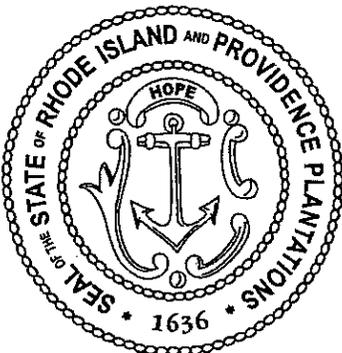
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

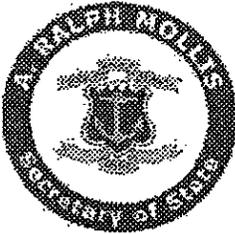
I, A. RALPH MOLLIS, Secretary of State of the State of Rhode Island
and Providence Plantations, hereby certify that this document, duly
executed in accordance with the provisions of Title 7 of the General Laws
of Rhode Island, as amended, has been filed in this office on this day:
February 11, 2010 9:20 AM

A handwritten signature in black ink that reads "A. Ralph Mollis".

A. RALPH MOLLIS

Secretary of State





State of Rhode Island and Providence Plantations
Office of the Secretary of State

Fee: \$35.00

Division Of Business Services
148 W. River Street
Providence RI 02904-2615
(401) 222-3040

Non-Profit Corporation
Articles of Incorporation

(Chapter 7-6-34 of the General Laws of Rhode Island, 1956, as amended)

ARTICLE I

The name of the corporation is The Keystone Group

ARTICLE II

The period of its duration is X Perpetual

ARTICLE III

The specific purpose or purposes for which the corporation is organized are:

The Corporation is organized exclusively for charitable and educational purposes as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), which purposes may include, but are not limited to the following:

(a) Supporting providers of services to the developmentally disabled that are tax-exempt under Section 501(c)(3) of the Code, including being operated in connection with the Corporation's affiliates, which include CranstonARC and Looking Upwards, Inc., each of which is exempt from taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code. The Corporation shall develop and provide various services for its affiliates, which are expected to include but not be limited to strategic, executive and financial leadership; human resources support; information technology; marketing and development; purchasing; quality improvement; advocacy and training, thereby operating exclusively to carry out the purposes of certain public charities described in Section 509(a)(1) or 509(a)(2) of the Code;

(b) To engage in any or all other charitable, scientific or educational activities for which corporations may be organized under the Rhode Island Non-Profit Corporation Act and Section 501(c)(3) of the Code; and

(c) The Corporation shall not engage, otherwise than as an insubstantial part of its activities, in activities which in themselves are not in furtherance of one or more purposes exempt from taxation under the Code.

ARTICLE IV

Provisions, if any, not inconsistent with the law, which the incorporators elect to set forth in these articles of incorporation for the regulation of the internal affairs of the corporation are:

(A) THE CORPORATION SHALL BE NONPROFIT, SHALL NOT HAVE OR ISSUE SHARES OF CAPITAL STOCK, AND SHALL NOT DECLARE OR PAY DIVIDENDS. NO PART OF THE

NET EARNINGS OF THE CORPORATION SHALL INURE TO THE BENEFIT OF OR BE DISTRIBUTABLE TO ITS DIRECTORS, OFFICERS, OR OTHER PRIVATE PERSONS, EXCEPT THAT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED AND TO MAKE PAYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSES SET FORTH ABOVE. NO SUBSTANTIAL PART OF THE ACTIVITIES OF THE CORPORATION SHALL BE THE CARRYING ON OF PROPAGANDA, OR OTHERWISE ATTEMPTING TO INFLUENCE LEGISLATION EXCEPT AS OTHERWISE PERMITTED BY SECTION 501(H) OF THE CODE, AND THE CORPORATION SHALL NOT PARTICIPATE IN, OR INTERVENE IN (INCLUDING THE PUBLISHING OR DISTRIBUTION OF STATEMENTS), ANY POLITICAL CAMPAIGN ON BEHALF OF ANY CANDIDATE FOR PUBLIC OFFICE. NOTWITHSTANDING ANY OTHER PROVISION OF THESE ARTICLES OF INCORPORATION, THE CORPORATION SHALL NOT CARRY ON ANY OTHER ACTIVITIES NOT PERMITTED TO BE CARRIED ON (I) BY A CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(A) OF THE CODE OR (II) BY A CORPORATION, CONTRIBUTIONS TO WHICH ARE DESCRIBED BY SECTION 170(C)(2) OF THE CODE AND DEDUCTIBLE UNDER SECTIONS 170(A) AND 170(B)(1)(A) OF THE CODE.

(B) UPON DISSOLUTION, THE BOARD OF DIRECTORS SHALL, AFTER PAYING OR MAKING PROVISION FOR THE PAYMENT OF ALL OF THE LIABILITIES OF THE CORPORATION, DISTRIBUTE ALL OF THE ASSETS OF THE CORPORATION TO AND AMONG ANY EXISTING NON PROFIT CORPORATIONS ORGANIZED FOR EDUCATIONAL, SCIENTIFIC, CHARITABLE, RELIGIOUS, OR LITERARY PURPOSES, WHICH WOULD THEN QUALIFY UNDER THE PROVISIONS OF SECTION 501(C)(3) OF THE CODE IN SUCH MANNER AND IN SUCH PROPORTIONS AS THE BOARD OF DIRECTORS SHALL PRESCRIBE.

(C) NO DIRECTOR OF THE CORPORATION SHALL BE PERSONALLY LIABLE TO THE CORPORATION OR ITS MEMBERS FOR MONETARY DAMAGES FOR BREACH OF THE DIRECTOR'S DUTY AS A DIRECTOR; PROVIDED THAT THE FOREGOING SHALL NOT ELIMINATE OR LIMIT THE LIABILITY OF A DIRECTOR (I) FOR ANY BREACH OF THE DIRECTOR'S DUTY OF LOYALTY TO THE CORPORATION OR ITS MEMBERS; (II) FOR ACTS OR OMISSIONS NOT IN GOOD FAITH OR WHICH INVOLVE INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW; OR (III) FOR ANY TRANSACTION FROM WHICH THE DIRECTOR DERIVED AN IMPROPER PERSONAL BENEFIT.

ARTICLE V

The street address (post office boxes are not acceptable) of the initial registered office of the corporation is:

No. and Street: ONE PARK ROW
SUITE 300
City or Town: PROVIDENCE State: RI Zip: 02903

The name of its initial registered agent at such address is DON E. WINEBERG

ARTICLE VI

The number of directors constituting the initial Board of Directors of the Corporation is 6 and the names and addresses of the persons who are to serve as the initial directors are:

Title	Individual Name First, Middle, Last, Suffix	Address Address, City or Town, State, Zip Code, Country
DIRECTOR	CARRIE MIRANDA	438 EAST MAIN ROAD MIDDLETOWN, RI 02842 USA
DIRECTOR	THOMAS KANE	111 COMSTOCK PARKWAY CRANSTON, RI 02921 USA
DIRECTOR	MARILYN THOMAS	438 EAST MAIN ROAD MIDDLETOWN, RI 02842 USA
DIRECTOR	BETH PINTO	438 EAST MAIN ROAD MIDDLETOWN, RI 02842 USA
DIRECTOR	A MICHAEL MARQUES	111 COMSTOCK PARKWAY CRANSTON, RI 02921 USA
DIRECTOR	THOMAS HOGG	111 COMSTOCK PARKWAY CRANSTON, RI 02921 USA

ARTICLE VII

The name and address of the each incorporator is:

Title	Individual Name First, Middle, Last, Suffix	Address Address, City or Town, State, Zip Code, Country
INCORPORATOR	DON E. WINEBERG ESQ	ONE PARK ROW - STE300 PROVIDENCE, RI 02903 USA

ARTICLE VIII

Date when corporate existence is to begin 02/11/2010
(not prior to, nor more than 30 days after, the filing of these Articles of Incorporation)

Signed this 11 Day of February, 2010 at 9:22:11 AM by the incorporator(s). *This electronic signature of the individual or individuals signing this instrument constitutes the affirmation or acknowledgement of the signatory, under penalties of perjury, that this instrument is that individual's act and deed or the act and deed of the corporation, and that the facts stated herein are true, as of the date of the electronic filing, in compliance with R.I. Gen. Laws § 7-6.*

DON E. WINEBERG ESQ.

Form No. 200
Revised 09/07

AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT ("Agreement") is made and entered into as of February 11, 2010, by and between **CRANSTONArc**, a Rhode Island non-profit corporation, and **LOOKING UPWARDS, INC.**, a Rhode Island non-profit corporation.

PURPOSE

CranstonARC and Looking Upwards each provide a variety of training, educational residential and other services, primarily, but not exclusively, to people with developmental disabilities.

On July 2, 2009, CranstonARC and Looking Upwards entered into a Memorandum of Understanding ("MOU") outlining the structure upon which the parties would affiliate through creation of a new Rhode Island non-profit parent corporation to be named The Keystone Group.

The parties' decision to affiliate is a result of changes in the financing and delivery of services to the populations they serve. The parties expect that affiliating formally will allow them to benefit in many respects, including the following:

- Offering clients, their families and payers a complementary range of services in a cost-effective manner;
- Improving the financial health of all parties;
- Preserving the strong local presence and service capacity of each party and increasing the likelihood of their healthy survival;
- Expanding each party's access to resources and capital, thereby enabling them to preserve or expand the range of services they offer;
- Reducing operating costs and increasing competitiveness throughout the system by providing for centralization of management and increased economies of scale;
- Increasing coordination through the ability to share management information systems;
- Allowing the parties to take advantage of management capabilities at one party that have been developed at the other;
- Encouraging development of stronger clinical and managerial bases from which to increase service quality and overall system capacity;

- Enhancing recruitment opportunities; and
- Enhancing the stature of both parties in the community and enabling them to continue their charitable missions.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **AFFILIATION STRUCTURE AND GOVERNANCE**

The affiliation described in the MOU and to be effected pursuant to this Agreement (the "Affiliation") shall be accomplished as follows:

1.1 Creation of Parent Company. The parties will become affiliates of one another by creating a new, Rhode Island non-profit parent corporation to be named "The Keystone Group". The Keystone Group will not have individual members, but will be governed by a Board of Directors and shall adopt the Bylaws attached hereto as Exhibit A.

1.2 Amendment of CranstonARC Organizational Documents. Consummation of the Affiliation is hereafter referred to as the "Closing." Contemporaneously with the Closing, CranstonARC shall amend its Bylaws as set forth in Exhibit B. Such amendments shall have the effect of establishing The Keystone Group as the sole corporate member of CranstonARC and shall implement the other governance and structural arrangements as set forth in the attached Bylaws, including allowing CranstonARC to retain its individual members as a separate class of member ("Individual Members"). Individual Members will be non-voting.

1.3 Amendment of Looking Upwards Organizational Documents. Contemporaneously with the Closing, Looking Upwards shall amend its Bylaws as set forth in Exhibit C. Such amendments shall have the effect of establishing The Keystone Group as the sole member of Looking Upwards and shall implement the other governance and structural arrangements agreed to in the MOU. There will be no other members of Looking Upwards.

1.4 Continuation of MOU. The parties affirm that the MOU continues in effect contemporaneously with this Agreement and that although the parties intend there to be no inconsistencies between the MOU and this Agreement, in the event of such inconsistencies, the provisions of this Agreement shall control.

2. REPRESENTATIONS AND WARRANTIES

As a condition to entry into this Agreement, each party represents and warrants to the other party that except as disclosed to the other party in writing prior to the Closing, the statements set forth in this section are true and correct as of the date hereof and will be as of the date of the Closing. For purposes of this Agreement, "Affiliate" means an entity which controls, is controlled by, or is common control with, one of the parties.

2.1 Authority to Enter into Agreement; Enforceability. Each party has or will obtain full corporate power and authority to enter into and to carry out the terms and provisions of this Agreement and the transactions contemplated hereby, without obtaining the approval or consent of any other party or authority (other than the Rhode Island Department of Mental Health, Retardation and Hospitals), and all corporate proceedings and authorizations have been or will be obtained by such party that are necessary to authorize the execution and delivery of this Agreement and consummation of the Affiliation. This Agreement is and is intended to be, a legal, valid, and binding obligation of each party, enforceable in accordance with its terms.

2.2 Organization and Standing. Each party is duly organized, validly existing, and in good standing under the laws of the State of Rhode Island. Each such entity has all requisite power and authority to own, lease, and operate its properties and to carry on its business as now being conducted.

2.3 Financial Statements. Each party has provided the other party with the audited balance sheets and income statements of such party for the most recent three (3) fiscal years for which audited statements are available, together with the most recent unaudited, internally prepared, balance sheets and income statements of such party, subject in the case of the unaudited financial statements, to normal year-end audit adjustments. The foregoing financial statement(s) are (a) in accordance with the books and records of such party, and (b) present fairly and accurately, in all material respects, the financial position and results of operations for such party as of the dates and for the periods indicated in accordance with generally accepted accounting principles applied on a consistent basis, except as may be noted therein. Each party has no material liabilities or obligations, whether contingent or absolute, direct or indirect, or matured or unmatured, which are not shown or provided for in the most recent of such financial statements.

2.4 Litigation. Each party represents and warrants that there are no suits, actions, or legal, administrative, arbitration or other proceedings or governmental investigations pending, filed, or initiated by, or to the best of its knowledge, threatened against or directly involving the party or any of its Plans (as defined in Section 2.7 below) that may materially and adversely affect the operations or financial status of such party or their ability to perform hereunder.

2.5 Compliance with Laws and Other Instruments. To the best of each party's knowledge, the business and operations of such party have been and are being conducted in accordance with all applicable laws, ordinances, and rules and regulations of all authorities, the violation of which, individually or in the aggregate, would materially and adversely affect the business or operations of each party. Except as set forth in Exhibit D, neither the execution and delivery of this Agreement, nor the consummation of the Affiliation contemplated hereby, will conflict with, result in a violation or breach of any term or provision of, or constitute a default under, the organizational documents of the parties or any statute, order, judgment, writ, injunction, decree, license, permit, rule, or regulation of any court or any governmental or regulatory body, or any indenture, mortgage, lease, contract, agreement, instrument, commitment or other arrangement to which either the parties is a party or by which it is or may be bound, which conflict, violation, breach or default would materially and adversely affect the operations of the parties. Each of the parties is in material compliance with all applicable federal and state laws respecting immigration, employment and employment practices, terms and conditions of employment, wages and hours, and employment discrimination. Neither of the parties has been engaged in any unfair labor practice, and no unfair labor practice complaint against either party is pending before National Labor Relations Board. Neither party knows or has reason to know of any labor strike or other labor trouble actually pending, being threatened against, or affecting their operations. Relations between management and labor are amicable and there have not been, nor are there presently, any attempts to organize non-union employees. Each party represents and warrants that it has materially complied with all laws and regulations with respect to determining independent contractor or employee status.

2.6 Insurance. Each of the parties has continuously maintained and currently maintains fire, casualty, liability, professional liability and all other insurance (including self-insurance) coverage necessary in its businesses and operations. Such insurance policies or programs cover the property, business, and operations of such party in amounts and against losses and risks such as are generally maintained for comparably situated businesses.

2.7 Licenses. To the extent required, each of the parties is in good standing with respect to, all permits, approvals, authorizations, consents, licenses, certificates of need, franchises, registrations and other governmental authorizations that are material to the conduct of its business as now conducted or for its ownership and use of its assets.

2.8 Environmental Matters. To the knowledge of each party: (a) no oil, hazardous waste, hazardous substance or other toxic material has been spilled, released, placed, held, located or disposed of on any real estate owned or leased by such party or any Affiliate; (b) no underground storage tanks, whether in use or closed, are on or under any such real estate; and (c) all operations conducted by such party are in compliance in all material respects with all applicable environmental laws.

2.9 No Material Misrepresentations. Neither this Agreement, nor the materials delivered to each party hereunder, contain any misstatements of a material fact or fail to state any facts about such party which, to the knowledge of such party, are, or could reasonably become, necessary in order to make any of the statements herein or therein not misleading.

3. COVENANTS OF THE PARTIES

From and after the date hereof and through the Closing, each party hereby agrees to keep, perform, and fully discharge the following covenants and agreements:

3.1 Interim Conduct of Business. Unless approved by the other party in advance, each party shall use its reasonable best efforts to (a) preserve, protect and maintain the services and operations, properties and assets of the party; (b) operate the services and operations of the party as a going concern consistent with prior practices and in the ordinary course of business; (c) preserve the goodwill of all individuals and entities having business or other relations with it or them, including physicians, nurses, employees, contractors, patients, customers, payors and suppliers, and (d) prepare all documents called for by this Agreement and required to facilitate the consummation of the Affiliation. Each party shall provide the other party promptly with interim financial statements and any material management reports of the party which are provided to such party's Board, if, as and when they become available. Neither party shall make material changes in its Articles of Incorporation or Bylaws, except for changes expressly authorized or required by this Agreement, without first obtaining the express approval of the other, which approval shall not be unreasonably withheld.

3.2 Preserve Accuracy of Representations and Warranties. Neither of the parties will take action which would render any representation and/or warranty contained in Section 2 of this Agreement inaccurate as of the Closing. Each party shall promptly notify the other party of any lawsuits, claims, administrative actions, or other proceedings asserted or commenced against the party, or their officers, directors, trustees, or members involving in any material way the businesses, properties or assets of the party. Each party shall promptly notify the other party in writing of any facts or circumstances which come to the party's attention and which the party reasonably believes causes, or through the passage of time may cause, any of the representations and warranties contained in Section 2 to be or become false or inaccurate.

3.3 Access to Information. Except as may be required to ensure that documents protected by the attorney-client privilege do not lose that protection, and subject to existing or hereinafter executed confidentiality agreements with third parties, each party shall give to the other party and to appropriate representatives of each (defined for purposes of this section as a party's directors, trustees, officers, employees, agents, or advisors) access, during normal business hours, to such properties, books, records, contracts and other documents pertaining to the businesses, properties and

assets of the party, as may be reasonably requested and appropriate in order for each party to perform its obligations hereunder. Officers and employees of a party shall be available on a regular and frequent basis to confer with appropriate representatives of the other party to report material operational matters and the general status of ongoing operations. Each party shall cooperate in keeping the other party fully informed and shall promptly provide notice to the other party of any unexpected emergency or other unanticipated adverse change in the normal course of business or prospects of the business of the party. In the event a party is subject to a confidentiality agreement which would be violated by such party's compliance with this Section 3.3, such party shall inform the other party of the limitation and shall describe as fully as possible without violating such agreement, the nature of the transaction which gave rise to the confidentiality obligation. Each party covenants to use its good faith best efforts to obtain the consent of any other party to a confidentiality agreement to release materials as contemplated in this Section 3.3.

3.4 Maintain Books and Accounting Practices. Each party shall maintain its books of account and in the usual, regular, and ordinary manner in accordance with generally accepted accounting principles consistently applied ("GAAP"), and shall make no change in any of its accounting methods or practices (except as such changes are deemed reasonably necessary by such party in order to comply with GAAP) without the prior written approval of the other party, other than reasonably required in accordance with the aforementioned generally accepted accounting principles.

3.5 Third Party Authorizations. Each party shall use its best efforts to obtain expeditiously all consents, approvals, and authorizations of third parties necessary for the performance of this Agreement and the Affiliation contemplated herein.

4. CONDITIONS PRECEDENT TO CLOSING

The obligations of the parties to close the Affiliation are subject to the satisfaction of each of the following conditions:

4.1 Representations True. Each and every representation and warranty by each party contained in this Agreement or in any certificate or exhibit furnished the other party under this Agreement shall be true in all material respects on and as of the Closing as though made on the date thereof.

4.2 Obligations Performed. Each party shall have performed and complied with its covenants, conditions and other obligations under this Agreement.

4.3 No Contest of Affiliation. No suit or action by any party or any investigation, inquiry, or proceeding by any governmental authority, or any legal or administrative proceeding shall have been instituted and remain pending or threatened on or before the Closing which: (a) questions the validity or legality of this Agreement or any transaction

contemplated hereby, or (b) seeks to enjoin any transaction contemplated hereby, or (c) seeks material damages on account of the consummation of any transaction contemplated hereby.

4.4 No Material Change in Laws. No change shall have occurred or have been announced or proposed prior to the Closing in the laws, rules, regulations, or policies of any governmental authority which might reasonably be expected to materially and adversely affect the consummation of this transaction.

4.5 Organizational Documents. Each party shall have received certified resolutions of the board of directors, as the case may be, and of the Members, if any, of the other party dated as of or prior to the Closing, evidencing authorization to adopt all the changes to the party's Articles of Incorporation and Bylaws required to effect the Affiliation.

4.6 Due Diligence. Completion by each party, to its satisfaction, of a due diligence review of the other party.

4.7 Regulatory Approval. The parties shall have obtained all necessary governmental approvals prior to the Closing, including without limitation, approval by the Rhode Island Department of Mental Health, Retardation and Hospitals.

5. INDEMNIFICATION

5.1 Indemnification by CranstonARC. CranstonARC shall indemnify and hold harmless The Keystone Group, Looking Upwards and their respective officers, directors, members, employees and agents, from and against and shall on demand reimburse such parties for, any and all losses, damages, liabilities, claims, demands, deficiencies, judgments, settlements, costs and expenses of any nature whatsoever, including reasonable attorneys fees, incurred by or asserted against any of such entities resulting from or arising out of (i) the breach of any representation or warranty of CranstonARC contained in this Agreement; or (ii) the non-performance, partial or total, of any covenant or other obligation of CranstonARC contained in this Agreement.

5.2 Indemnification by Looking Upwards. Looking Upwards shall indemnify and hold harmless CranstonARC, The Keystone Group and their respective officers, directors, trustees, members, employees and agents, from and against and shall on demand reimburse such parties for, any and all losses, damages, liabilities, claims, demands, deficiencies, judgments, settlements, costs and expenses of any nature whatsoever, including reasonable attorneys fees, incurred by or asserted against any of such entities resulting from or arising out of (i) the breach of any representation or warranty of Looking Upwards contained in this Agreement; or (ii) the non-performance, partial or total, of any covenant or other obligation of Looking Upwards contained in this Agreement.

5.3 Limitation on Indemnification. Notwithstanding anything contained in this Agreement to the contrary, no claim for indemnity hereunder may be asserted from and after the Closing.

6. **TERMINATION**

6.1 Termination. At any time prior to the Closing, this Agreement may be terminated:

- (a) By the mutual written consent of the parties; or
- (b) By either party upon the failure of a condition precedent to Closing, or if the other party has made a material misrepresentation, materially breached a representation or warranty, or failed to satisfy a covenant or condition applicable to it;

6.2 Effect of Termination. If this Agreement shall be terminated as provided above, all obligations of the parties hereunder shall terminate except for the indemnification obligations set forth in Article 5.

7. **MISCELLANEOUS**

7.1 Notices. All notices required or permitted hereunder shall be sent by either registered or certified mail, postage prepaid, return receipt requested, or via an overnight delivery service that obtains a receipt upon delivery, to the address of the party set forth below, or to such other address as such party may provide by the giving of notice thereto to the other:

CranstonARC
111 Comstock Parkway
Cranston, Rhode Island 02921
Attn: Thomas Kane, President

Looking Upwards
438 East Main Road
Middletown, Rhode Island 02842
Attn: Carrie Miranda, Chief Executive Officer

7.2 Entire Agreement. This Agreement and the MOU contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings between the parties with respect to the subject matter of the Affiliation. No amendment, alteration or modification of this Agreement shall be valid unless in writing and executed by each of the parties hereto.

7.3 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other, which consent shall not be unreasonably withheld.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island.

7.5 Arbitration. Any disputes arising under or relating to this Agreement or any breach thereof shall be determined by arbitration in Providence, Rhode Island in accordance with the rules of the American Health Lawyers Association Alternate Dispute Resolution Service Rules of Procedure for Arbitration and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

7.6 Effect of Invalidity. Should any part of this Agreement, for any reason, be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated.

7.7 Waiver of Breach. Failure of a party to insist upon strict adherence of any term of this Agreement on any occasion shall not be considered a waiver of such term. The waiver by either party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by the other party.

7.8 Successors. All of the provisions herein contained shall be binding upon and inure to the benefit of the parties' permitted successors and assigns to the same extent as if each such successor or assign were in each case named as a party to this Agreement.

7.9 Exhibits. All of the Exhibits hereto referred to in this Agreement are hereby incorporated herein by reference and shall be deemed and construed to be a part of this Agreement for all purposes.

7.10 Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement or any part thereof.

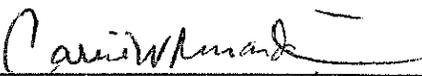
7.11 Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, CranstonARC and Looking Upwards have each caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

CRANSTONARC

By: 
Title: President & CEO

LOOKING UPWARDS, INC.

By: 
Title: CEO/Executive Director

F:\Documents\Keystone Group, The\Affiliation\Affiliation Agreement final.doc

Kahn, Litwin, Renza & Co., Ltd.
Boston • Newport • Providence • Waltham



951 North Main Street, Providence, Rhode Island 02904
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Email: TrustedAdvisors@KahnLitwin.com • www.KahnLitwin.com

*Certified Public Accountants
and Business Consultants*

**CRANSTONARC
FINANCIAL STATEMENTS
Year Ended June 30, 2011**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CranstonArc:

We have audited the accompanying statement of financial position of CranstonArc (the Organization) as of June 30, 2011 and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CranstonArc as of June 30, 2011 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2012, on our consideration of CranstonArc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Kahn, Litwin, Renza & Co., Ltd.

**CRANSTONARC
STATEMENT OF FINANCIAL POSITION
June 30, 2011**

	Operations	Donated Property and Equipment	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1,369,820	\$ -	\$ 1,369,820
Accounts receivable	213,514	-	213,514
Grants and contracts receivable, net	593,744	-	593,744
Prepaid expenses	21,029	-	21,029
Total current assets	2,198,107	-	2,198,107
Property and Equipment, net	898,327	1,081,822	1,980,149
Deposits	16,811	-	16,811
Total Assets	\$ 3,113,245	\$ 1,081,822	\$ 4,195,067
Liabilities and Net Assets			
Current Liabilities:			
Current portion of long-term debt	\$ 34,869	\$ -	\$ 34,869
Accounts payable	369,609	-	369,609
Accrued payroll and payroll taxes	693,398	-	693,398
Other accrued expenses	86,399	-	86,399
Total current liabilities	1,184,275	-	1,184,275
Advances from State of Rhode Island	849,471	-	849,471
Long-term Debt, less current portion	354,818	-	354,818
Total liabilities	2,388,564	-	2,388,564
Net Assets:			
Unrestricted:			
Accumulated deficit from operations	(81,564)	-	(81,564)
Invested in fixed assets	508,640	1,081,822	1,590,462
Board designated for reserve	261,402	-	261,402
Total unrestricted net assets	688,478	1,081,822	1,770,300
Temporarily restricted	36,203	-	36,203
Total net assets	724,681	1,081,822	1,806,503
Total Liabilities and Net Assets	\$ 3,113,245	\$ 1,081,822	\$ 4,195,067

CRANSTONARC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2011

	Operations	Donated Property and Equipment	Total
Changes in Unrestricted Net Assets:			
Revenue and support:			
Government contracts	\$ 10,490,229	\$ -	\$ 10,490,229
Tuition from local cities and towns	1,717,532	-	1,717,532
Workshop contracts	568,134	-	568,134
Daycare and preschool income	302,851	-	302,851
Consumer room and board	506,450	-	506,450
Interest income	2,834	-	2,834
Contributions and miscellaneous income	154,461	-	154,461
Other program services	119,853	-	119,853
In-kind contribution (facilities)	-	84,000	84,000
Net assets released from restrictions	98,760	4,819	103,579
Total unrestricted revenue and support	13,961,104	88,819	14,049,923
Expenses:			
Residential programs	5,557,513	111,099	5,668,612
Day and vocational programs	4,260,042	65,135	4,325,177
Child development program	3,256,342	1,962	3,258,304
General and administrative	1,148,585	-	1,148,585
Total expenses	14,222,482	178,196	14,400,678
Changes in unrestricted net assets	(261,378)	(89,377)	(350,755)
Changes in Temporarily Restricted Net Assets:			
Grant and contribution revenue	93,621	28,069	121,690
Net assets released from restrictions	(98,760)	(4,819)	(103,579)
Changes in temporarily restricted net assets	(5,139)	23,250	18,111
Changes in Total Net Assets	(266,517)	(66,127)	(332,644)
Net Assets at Beginning of Year	991,198	1,147,949	2,139,147
Net Assets at End of Year	\$ 724,681	\$ 1,081,822	\$ 1,806,503

CRANSTONARC
STATEMENT OF CASH FLOWS
Year Ended June 30, 2011

Cash Flows from Operating Activities:	
Changes in total net assets	\$ (332,644)
Adjustments to reconcile changes in total net assets to net cash provided by operating activities:	
Depreciation	216,149
Changes in operating assets and liabilities:	
Receivables	946,142
Prepaid expenses	(21)
Accounts payable	7,193
Accrued payroll and payroll taxes	105,203
Other accrued expenses	(17,116)
Total adjustments	<u>1,257,550</u>
Net cash provided by operating activities	<u>924,906</u>
Cash Flows from Investing Activities:	
Purchases of property and equipment	<u>(32,196)</u>
Net cash used by investing activities	<u>(32,196)</u>
Cash Flows from Financing Activities:	
Net payments under line of credit	(100,000)
Payments on long-term debt	<u>(36,711)</u>
Net cash used by financing activities	<u>(136,711)</u>
Net Increase in Cash and Cash Equivalents	755,999
Cash and Cash Equivalents, beginning of year	<u>613,821</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 1,369,820</u></u>
Supplemental Data:	
Cash paid during the year for interest	<u><u>\$ 22,433</u></u>

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

1. Nature of Operations

CranstonArc (the Organization) was established by a group of parents in 1965 as the Cranston Association for Retarded Children, incorporated under the laws of the State of Rhode Island as a non-profit organization.

The purpose of the Organization is to empower persons with differing abilities to claim and enjoy their right to dignity, respect, equality, and choice throughout their lives. The Organization provides a school program, supported employment and workshop programs and residential facilities for adults with mental retardation or other developmental disabilities, as well as community support services.

The CranstonArc by-laws were amended October 30, 2009 to incorporate the parent company, The Keystone Group. The Keystone Group was formed in 2010 to provide financial, human resource, marketing, public relations and information technology support in order to decrease administrative costs for member organizations. The formation of the parent company is in collaboration with Looking Upwards, another provider agency operating in Rhode Island. The parent company has applied for tax exempt status and as the date of this report, is awaiting approval. CranstonArc paid legal and technology expenses related to The Keystone Group of approximately \$75,400. The amount is due from The Keystone Group at June 30, 2011.

Subsequent to June 30, 2011, the Organization is no longer affiliated with The Arc, the National Organization, and as of the date of this report, is in the process of obtaining a new name for the Organization.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of CranstonArc is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities. The net assets of the Organization have been recorded in three different classifications as follows:

Unrestricted net assets - consist of unrestricted amounts that are available for use in carrying out the mission of the Organization.

Temporarily restricted net assets - consist of those amounts which are donor restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. At year-end, the Organization had \$36,203 in temporarily restricted net assets to be used for individuals with developmental disabilities.

Permanently restricted net assets - result from contributions from donors who place restrictions on the use of donated funds mandating that the original principal remain invested in perpetuity. At year-end, the Organization had no permanently restricted net assets.

In addition, the activities of the Organization are reported in self-balancing fund groups as follows:

Operations fund - represents funds which are available for support of the Organization's programs and day-to-day activities.

Donated property and equipment fund - represents donated fixed assets, as well as resources designated for further fixed asset acquisitions.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

Property and Equipment

The Organization follows the policy of capitalizing as fixed assets all significant purchases of equipment and improvements (\$2,000 or greater). Items of lesser value or repairs that do not add significantly to the life of the asset are expensed. Property and equipment are reported at cost, and donations of property are recorded at their estimated fair value at the date of donation.

Depreciation is calculated under the straight-line method over the estimated useful lives of the assets ranging from 4 to 40 years.

Accounts, Grants and Contracts Receivable and Revenue Recognition

The Organization carries its accounts, grants and contracts receivable at net realizable value. On a periodic basis, the Organization evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past bad debt expense and collections and current credit conditions. Allowance for doubtful accounts was approximately \$75,000 at June 30, 2011.

The Organization does not accrue interest on its receivables. A receivable is considered past due if payment has not been received within stated terms. The Organization will then exhaust all methods in-house to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged to the allowance for doubtful accounts.

The Organization recognizes fees for service and contract revenue when services to clients have been rendered and/or contractual obligations have been met. From time to time during the year due to funding source payment schedules, the Organization may receive funds in excess of current program expenditures. These funds are recorded in the accounting records by the Organization as deferred revenue until such time that the Organization incurs expenditures related to the specific program for which the funds have been received.

Contributed Facilities

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Four of the group homes operated by the Organization are located in buildings owned by the State of Rhode Island and are provided to the Organization at \$1 per year. The estimated value of this space was approximately \$84,000 for the year ended June 30, 2011, and has been recorded in the statement of activities and changes in net assets. Two of the leases expire in 2013 and two have expired and are with the state for approval.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

Functional Allocation of Expense

The expenses incurred to provide the various programs and activities of the Organization 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 based on management's estimates.

Estimates and Assumptions

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

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2011 and 2010 was approximately \$11,900 and \$19,900, respectively.

Income Taxes

The Organization is exempt from income taxes as a public charity under section 501(c)(3) of the Internal Revenue Code. Management believes that the Organization operates in a manner consistent with their tax-exempt status at both the state and Federal level.

The Organization annually files IRS Form 990 - *Return of Organization Exempt From Income Tax* reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These tax returns are subject to review by the taxing authorities and the federal income tax returns for 2008, 2009, and 2010 are subject to examination by the IRS, generally for three years after they were filed. The Organization currently has no tax examinations in progress.

Subsequent Events

Management has evaluated subsequent events through February 24, 2012, which is the date these financial statements were available to be issued.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

3. Program Accomplishments (Unaudited)

The Organization has been providing programs and services to children and adults with mental retardation and developmental disabilities for over 40 years. The Organization currently supports more than 500 families in Rhode Island, offering a wide range of programs and services that incorporate the philosophy of helping people with disabilities gain greater independence as described below:

Residential Programs - The residential programs consist of various apartment units and homes and are designed to provide adults with instructional services and living experience which allow them to achieve economic and living independence through fully supervised or semi-independent living programs.

Day and Vocational Programs - The Organization provides a variety of day services for adults and students, according to individual needs and preferences. These include school-to-work experience, vocational training within a workshop setting, and supported employment services including job placement, coaching and on-going employment support. A community options program also gives individualized support to people who volunteer in over 50 locations. This program includes job training, classroom instruction and education credential services from People in Partnerships, Inc.

BetterShred - The business venture of CranstonArc BetterShred, located at 21 Palmer Avenue in Cranston, Rhode Island, is a plant-based document destruction business. The business grew from a workshop-based project. The business developed as it became apparent that there was a strong need for this type of business in Rhode Island, and it would create real work opportunities for people with disabilities. BetterShred offers secure document destruction services to government agencies, colleges and universities, private businesses, human service agencies, medical offices and individuals throughout Rhode Island. The Organization provides containers and consoles for ongoing business as well as performing one time purges of old files for businesses and organizations. The work provides jobs such as material handling, customer service, pick-up and drop-off of bins and consoles, paper sorting, and operation of the shredder. People with disabilities perform each of the jobs noted above. It is the intent of BetterShred to hire a percentage of the work force who are not disabled. The rationale for this is based on the belief that an integrated work environment adds more potential for those the Organization supports to become more active members of their community.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

Child Development Programs - The Organization's child development programs for children with developmental disabilities include Cornerstone School and Creative Beginnings toddler preschool and kindergarten, which are developmentally appropriate education and special education programs certified and licensed by the State of Rhode Island. Cornerstone School provides specialized education and healthcare programs for children with physical, cognitive and medical disabilities, while Creative Beginnings offers a "learn through play" curriculum that includes both educational and development goals for both typical and disabled childcare.

The Organization also provides in-home services such as Home Based Treatment Services (HBTS), Personal Assistance Support Services (PASS), and Respite Services to children and their families. HBTS is designed to provide children with services to improve functional skills, promote emotional health and physical well being, increase independence, and facilitate full community participation. PASS is designed to improve individual functional skills, promote emotional health and physical well being, increase independence, and facilitate full community participation. Respite services were designed to assume temporary care of the child with special health care needs within the child's home and community so that other family members can find relief from these increased responsibilities, or additional support during crisis situations.

Vocational Training and Placement - The Organization's People In Partnerships division provides vocational training and placement for people with disabilities and those who are seeking employment with a goal to move from welfare to work. The training includes Certified Nursing Assistant courses, food service training through the operation of a cafeteria and catering business. Computer training and office management programs are also offered. The training program is the only one of its kind in the State of Rhode Island and is open to all eligible Rhode Island citizens.

Recreation Programs - Recreational services are available at night and on weekends, as are various adult educational programs.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

4. Property and Equipment

The Organization's property and equipment consisted of the following at year-end:

Land	\$ 415,091
Land improvements	32,489
Buildings and building improvements	3,385,759
Furniture and fixtures	169,834
Motor vehicles	777,841
Equipment	690,444
Leasehold improvements	38,444
	<u>5,509,902</u>
Less accumulated depreciation	<u>3,529,753</u>
Property and equipment, net	<u>\$ 1,980,149</u>

5. Line of Credit

The Organization has a \$400,000 secured revolving line of credit facility with a bank. Amounts borrowed under the line of credit are payable on demand and are secured by substantially all assets of the Organization. Interest is at the one month LIBOR rate (.19% at June 30, 2011) plus 2.5%. At June 30, 2011, there was no outstanding balance on the line of credit.

6. Advances from State of Rhode Island

The Organization has agreements with the State of Rhode Island (the State) to operate residential facilities and day programs for adults with retardation and developmental disabilities. Under these agreements, the State advances the Organization an amount equivalent to forty-five days per client at the agreed-upon per diem rate to provide cash flow for the programs. This advance of approximately \$849,500 has been classified as a long-term liability as it is anticipated that the State will continue to provide these funds. Due to current economic conditions, the potential exists for the State at its sole discretion to require all or a portion of the funds be repaid.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

7. Long-term Debt

At year-end, the Organization's long-term debt consisted of the following:

Note payable to a bank, due in monthly installments of \$354, including interest at a rate of 5.25% through March, 2024; secured by real estate	\$ 37,316
Note payable to a bank, due in monthly installments of \$337, including interest at a rate of 5.25% through March, 2024; secured by real estate	34,098
Note payable to a bank, due in monthly installments of \$571, including interest at a rate of 6.125% through September, 2032; secured by real estate	81,351
Note payable to a bank, due in monthly installments of \$497, including interest at a rate of 5.25% through August, 2033; secured by real estate	78,029
Note payable to a bank, due in monthly installments of \$698, including interest at a rate of 5% through January, 2035; secured by real estate	115,853
Note payable to a bank, due in monthly installments of \$2,163, including interest at a rate of 5.93% through March, 2013; secured by equipment	<u>43,040</u>
Total long-term debt	389,687
Less current portion of long-term debt	<u>34,869</u>
Total long-term debt, less current portion	<u>\$ 354,818</u>

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

Scheduled maturities of long-term debt are as follows:

<u>Year Ending</u>	
June 30, 2012	\$ 34,869
June 30, 2013	30,408
June 30, 2014	12,040
June 30, 2015	12,700
June 30, 2016	13,396
June 30, 2017 and thereafter	<u>286,274</u>
Total	<u>\$ 389,687</u>

8. Employee Retirement Plans

The Organization has a 401(k) defined contribution retirement plan, which allows for employee and employer contributions. The plan covers all employees age 20 and over who have completed 12 months of service and work a minimum of 1,000 hours per year. The Board of Directors has established an employer match of 25% of the employee contribution up to 7% of compensation. Pension expense under this plan was approximately \$61,200 for the year ended June 30, 2011.

The Organization also participates in a multi-employer pension plan covering certain union employees also covered under the Organization's 401(k) plan, pursuant to agreements between the Organization and the collective bargaining unit. This plan is a defined benefit plan; however, specific benefit levels are not negotiated with, or known by, the employer contributor. Contributions of approximately \$119,300 were made to the plan for the year ended June 30, 2011.

9. Concentrations of Credit and Market Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk are cash and cash equivalents and receivables. Occasionally, due to the payment terms on contracts with its funding sources, the Organization's cash balance in its accounts was in excess of the amount covered by insurance through the Federal Deposit Insurance Corporation (FDIC). Management does not believe significant credit risk exists at year-end.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

Most of the Organization's outstanding receivables at year-end were from government contracts. Based on collections to date and past history of collections, the Organization has determined that the allowance for doubtful accounts in the amount of \$75,000 at year-end is adequate.

10. Commitments and Contingencies

Operating Lease Agreements

The Organization rents several buildings and office equipment under operating leases, one with terms through March, 2013 as well as several under annual renewal and tenant at will agreements. Approximately \$374,800 in building and equipment lease expenses were recorded in the financial statements for the year ended June 30, 2011.

Approximate future minimum rental payments under operating leases are as follows:

<u>Year Ending</u>	
June 30, 2012	\$ 126,800
June 30, 2013	<u>86,300</u>
Total	<u>\$ 213,100</u>

Employment Agreements

The Organization has an employment agreement with its Chief Executive Officer. The agreement expires January 2013, and requires severance payments in the form of all of the aggregate salary and benefits the employee would have earned from the actual date of termination to the expiration date of the agreement.

Legal Proceedings

CranstonArc is from time to time subject to legal proceedings and claims that arise in the normal course of carrying out the CranstonArc's mission. In the opinion of management, the amount of ultimate liability with respect to actions outstanding as of June 30, 2011 will not have a material adverse effect on the CranstonArc's financial position or its results of operations.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011

11. Concentration of Business

The Organization's principal source of revenue is provided by the State of Rhode Island under various contracts for services provided. In general, either party may terminate a contract with sixty days notice. For the year ended June 30, 2011, the Organization received approximately \$10,490,000 (75% of unrestricted revenue and support) from the State of Rhode Island.

At June 30, 2011, the Organization had a total of 448 employees. Of this total, 156 employees are represented by Local Lodge 2363 of District 170, International Association of Machinists and Aerospace Workers, AFL-CIO. The labor agreement is extended through June 30, 2013.

Kahn, Litwin, Renza & Co., Ltd.
Boston • Newport • Providence • Waltham



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

To the Board of Directors of
CranstonArc:

We have audited the financial statements of CranstonArc (the Organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated February 24, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CranstonArc's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CranstonArc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS, (Continued)**

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Kalu, Litwin, Kenya & Co., Ltd.

February 24, 2012

CRANSTONARC

Financial Statements

Year Ended June 30, 2010

(With Independent Auditors' Report Thereon)



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CRANSTONARC
FINANCIAL STATEMENTS
Year Ended June 30, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CranstonArc:

We have audited the accompanying statement of financial position of CranstonArc (the Organization) as of June 30, 2010 and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CranstonArc as of June 30, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010 on our consideration of CranstonArc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Kahn, Litwin, Renza & Co., Ltd.

December 17, 2010

CRANSTONARC
STATEMENT OF FINANCIAL POSITION
June 30, 2010

Assets	Operations	Donated Property and Equipment	Total
Current Assets:			
Cash and cash equivalents	\$ 613,821	\$ -	\$ 613,821
Accounts receivable	336,756	-	336,756
Grants and contracts receivable, net	1,416,644	-	1,416,644
Prepaid expenses	21,008	-	21,008
Total current assets	2,388,229	-	2,388,229
Property and Equipment, net	1,016,153	1,147,949	2,164,102
Deposits	16,811	-	16,811
Total Assets	\$ 3,421,193	\$ 1,147,949	\$ 4,569,142
Liabilities and Net Assets			
Current Liabilities:			
Current portion of long-term debt	\$ 36,420	\$ -	\$ 36,420
Line of credit	100,000	-	100,000
Accounts payable	362,416	-	362,416
Accrued payroll and payroll taxes	588,195	-	588,195
Other accrued expenses	103,515	-	103,515
Total current liabilities	1,190,546	-	1,190,546
Advances from State of Rhode Island	849,471	-	849,471
Long-term Debt, less current portion	389,978	-	389,978
Total liabilities	2,429,995	-	2,429,995
Net Assets:			
Unrestricted:			
Available for operations	13,157	-	13,157
Invested in fixed assets	589,755	1,147,949	1,737,704
Board designated for reserve	370,194	-	370,194
Total unrestricted net assets	973,106	1,147,949	2,121,055
Temporarily restricted	18,092	-	18,092
Total net assets	991,198	1,147,949	2,139,147
Total Liabilities and Net Assets	\$ 3,421,193	\$ 1,147,949	\$ 4,569,142

See accompanying notes to financial statements and independent auditors' report.

CRANSTONARC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2010

	Operations	Donated Property and Equipment	Total
Changes in Unrestricted Net Assets:			
Revenue and support:			
Government contracts	\$ 10,632,198	\$ -	\$ 10,632,198
Tuition from local cities and towns	1,934,956	-	1,934,956
Workshop contracts	478,137	-	478,137
Daycare and preschool income	262,599	-	262,599
Consumer room and board	518,482	-	518,482
Interest income	2,410	-	2,410
Contributions and miscellaneous income	193,941	-	193,941
In-kind contribution (facilities)	-	84,000	84,000
Excess of fair value of net assets acquired over liabilities assumed in the acquisition of People in Partnerships, Inc.	51,123	-	51,123
Net assets released from restrictions	16,631	7,577	24,208
Total unrestricted revenue and support	14,090,477	91,577	14,182,054
Expenses:			
Residential programs	5,570,371	109,820	5,680,191
Day and vocational programs	4,164,760	65,135	4,229,895
Child development program	3,202,199	11,985	3,214,184
General and administrative	1,201,805	-	1,201,805
Total expenses	14,139,135	186,940	14,326,075
Changes in unrestricted net assets	(48,658)	(95,363)	(144,021)
Changes in Temporarily Restricted Net Assets:			
Grant and contribution revenue	8,358	7,577	15,935
Net assets released from restrictions	(16,631)	(7,577)	(24,208)
Changes in temporarily restricted net assets	(8,273)	-	(8,273)
Changes in Total Net Assets	(56,931)	(95,363)	(152,294)
Net Assets at Beginning of Year	1,048,129	1,243,312	2,291,441
Net Assets at End of Year	\$ 991,198	\$ 1,147,949	\$ 2,139,147

See accompanying notes to financial statements and independent auditors' report.

CRANSTONARC
STATEMENT OF CASH FLOWS
Year Ended June 30, 2010

Cash Flows from Operating Activities:	
Changes in total net assets	\$ (152,294)
Adjustments to reconcile changes in total net assets to net cash used by operating activities:	
Depreciation	252,380
Changes in operating assets and liabilities:	
Receivables	(81,739)
Prepaid expenses and deposits	(4,554)
Accounts payable	47,940
Accrued payroll and payroll taxes	(83,953)
Other accrued expenses	(44,741)
Total adjustments	<u>85,333</u>
Net cash used by operating activities	<u>(66,961)</u>
Cash Flows from Investing Activities:	
Purchases of property and equipment	<u>(43,645)</u>
Net cash used by investing activities	<u>(43,645)</u>
Cash Flows from Financing Activities:	
Net borrowing under line of credit	100,000
Payments on long-term debt	(44,754)
Net cash provided by financing activities	<u>55,246</u>
Net Decrease in Cash and Cash Equivalents	(55,360)
Cash and Cash Equivalents, beginning of year	<u>669,181</u>
Cash and Cash Equivalents, end of year	<u>\$ 613,821</u>
Supplemental Data:	
Cash paid during the year for interest	<u>\$ 25,288</u>

See accompanying notes to financial statements and independent auditors' report.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

1. Nature of Operations

CranstonArc (the Organization) was established by a group of parents in 1965 as the Cranston Association for Retarded Children, incorporated under the laws of the State of Rhode Island as a non-profit organization.

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2. Summary of Significant Accounting Policies

This summary of significant accounting policies of CranstonArc is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities. The net assets of the Organization have been recorded in three different classifications as follows:

Unrestricted net assets - consist of unrestricted amounts that are available for use in carrying out the mission of the Organization.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

Temporarily restricted net assets - consist of those amounts which are donor restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. At year-end, the Organization had \$18,092 in temporarily restricted net assets to be used for individuals with developmental disabilities.

Permanently restricted net assets - result from contributions from donors who place restrictions on the use of donated funds mandating that the original principal remain invested in perpetuity. At year-end, the Organization had no permanently restricted net assets.

In addition, the activities of the Organization are reported in self-balancing fund groups as follows:

Operations fund - represents funds which are available for support of the Organization's programs and day-to-day activities.

Donated property and equipment fund - represents donated fixed assets, as well as resources designated for further fixed asset acquisitions.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less.

Property and Equipment

The Organization follows the policy of capitalizing as fixed assets all significant purchases of equipment and improvements (\$2,000 or greater). Items of lesser value or repairs that do not add significantly to the life of the asset are expensed. Property and equipment are reported at cost, and donations of property are recorded at their estimated fair value at the date of donation.

Depreciation is calculated under the straight-line method over the estimated useful lives of the assets ranging from 4 to 40 years.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

Accounts, Grants and Contracts Receivable and Revenue Recognition

The Organization carries its accounts, grants and contracts receivable at net realizable value. On a periodic basis, the Organization evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past bad debt expense and collections and current credit conditions. Allowance for doubtful accounts was approximately \$50,000 at June 30, 2010.

The Organization does not accrue interest on its receivables. A receivable is considered past due if payment has not been received within stated terms. The Organization will then exhaust all methods in-house to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged to the allowance for doubtful accounts.

The Organization recognizes fees for service and contract revenue when services to clients have been rendered and/or contractual obligations have been met. From time to time during the year due to funding source payment schedules, the Organization may receive funds in excess of current program expenditures. These funds are recorded in the accounting records by the Organization as deferred revenue until such time that the Organization incurs expenditures related to the specific program for which the funds have been received.

Contributed Facilities

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Four of the group homes operated by the Organization are located in buildings owned by the State of Rhode Island and are provided to the Organization at \$1 per year. The estimated value of this space was approximately \$84,000 for the year ended June 30, 2010, and has been recorded in the statement of activities and changes in net assets. Two of the leases expire in 2013 and two are currently expired and are with the state for approval.

Functional Allocation of Expense

The expenses incurred to provide the various programs and activities of the Organization 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 based on management's estimates.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

Estimates and Assumptions

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

Subsequent Events

Management has evaluated subsequent events through December 17, 2010, which is the date these financial statements were available to be issued.

Income Taxes

The Organization is exempt from income taxes as a public charity under section 501(c)(3) of the Internal Revenue Code. Management believes that the Organization operates in a manner consistent with their tax-exempt status at both the state and Federal level.

Authoritative guidance requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions are "more likely than not" to be sustained by the applicable tax authority. Tax positions not deemed to meet the "more likely than not" threshold would be recorded as a tax benefit or expense in the current year.

The Organization annually files IRS Form 990 - *Return of Organization Exempt From Income Tax* reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These tax returns are subject to review by the taxing authorities and the federal income tax returns for 2007, 2008, and 2009 are subject to examination by the IRS, generally for three years after they were filed. The Organization currently has no tax examinations in progress.

3. Program Accomplishments (Unaudited)

The Organization has been providing programs and services to children and adults with mental retardation and developmental disabilities for over 40 years. The Organization currently supports more than 500 families in Rhode Island, offering a wide range of programs and services that incorporate the philosophy of helping people with disabilities gain greater independence as described below:

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

Residential Programs - The residential programs consist of various apartment units and homes and are designed to provide adults with instructional services and living experience which allow them to achieve economic and living independence through fully supervised or semi-independent living programs.

Day and Vocational Programs - The Organization provides a variety of day services for adults and students, according to individual needs and preferences. These include school-to-work experience, vocational training within a workshop setting, and supported employment services including job placement, coaching and on-going employment support. A community options program also gives individualized support to people who volunteer in over 50 locations. This program includes job training, classroom instruction and education credential services from People in Partnerships, Inc., the Organization that was acquired by CranstonArc on July 29, 2009 (note 12).

BetterShred - The business venture of CranstonArc BetterShred, located at 21 Palmer Avenue in Cranston, Rhode Island, is a plant-based document destruction business. The business grew from a workshop-based project. The business developed as it became apparent that there was a strong need for this type of business in Rhode Island, and it would create real work opportunities for people with disabilities. BetterShred offers secure document destruction services to government agencies, colleges and universities, private businesses, human service agencies, medical offices and individuals throughout Rhode Island. The Organization provides containers and consoles for ongoing business as well as performing one time purges of old files for businesses and organizations. The work provides jobs such as material handling, customer service, pick-up and drop-off of bins and consoles, paper sorting, and operation of the shredder. People with disabilities perform each of the jobs noted above. It is the intent of BetterShred to hire a percentage of the work force who are not disabled. The rationale for this is based on the belief that an integrated work environment adds more potential for those the Organization supports to become more active members of their community.

Child Development Programs - The Organization's child development programs for children with developmental disabilities include Cornerstone School and Creative Beginnings toddler preschool and kindergarten, which are developmentally appropriate education and special education programs certified and licensed by the State of Rhode Island. Cornerstone School provides specialized education and healthcare programs for children with physical, cognitive and medical disabilities, while Creative Beginnings offers a "learn through play" curriculum that includes both educational and development goals for both typical and disabled childcare.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

The Organization also provides in-home services such as Home Based Treatment Services (HBTS), Personal Assistance Support Services (PASS), and Respite Services to children and their families. HBTS is designed to provide children with services to improve functional skills, promote emotional health and physical well being, increase independence, and facilitate full community participation. PASS is designed to improve individual functional skills, promote emotional health and physical well being, increase independence, and facilitate full community participation. Respite services were designed to assume temporary care of the child with special health care needs within the child's home and community so that other family members can find relief from these increased responsibilities, or additional support during crisis situations.

Recreation Programs - Recreational services are available at night and on weekends, as are various adult educational programs.

4. Property and Equipment

The Organization's property and equipment consisted of the following at year-end:

Land	\$ 415,091
Land improvements	32,489
Buildings and building improvements	3,360,189
Furniture and fixtures	169,834
Motor vehicles	777,841
Equipment	683,818
Leasehold improvements	38,444
	<hr/>
	5,477,706
Less accumulated depreciation	3,313,604
	<hr/>
Property and equipment, net	<u>\$ 2,164,102</u>

5. Line of Credit

The Organization has a \$400,000 secured revolving line of credit with a bank. Amounts borrowed under the line of credit are payable on demand and are secured by substantially all of the assets of the Organization. Interest is at the one month LIBOR rate (.348% at June 30, 2010) plus 2.5%. At June 30, 2010, the outstanding balance on the line of credit was \$100,000.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

6. Advances From State of Rhode Island

The Organization has agreements with the State of Rhode Island (the State) to operate residential facilities and day programs for adults with retardation and developmental disabilities. Under these agreements, the State advances the Organization an amount equivalent to forty-five days per client at the agreed-upon per diem rate to provide cash flow for the programs. This advance of approximately \$849,500 has been classified as a long-term liability as it is anticipated that the State will continue to provide these funds. Due to current economic conditions, the potential exists for the State at its sole discretion to require all or a portion of the funds be repaid.

7. Long-term Debt

At year-end, the Organization's long-term debt consisted of the following:

Note payable to a bank, due in monthly installments of \$354, including interest at a rate of 5.25% through March, 2024; secured by real estate	\$ 39,538
Note payable to a bank, due in monthly installments of \$337, including interest at a rate of 5.25% through March, 2024; secured by real estate	36,288
Note payable to a bank, due in monthly installments of \$571, including interest at a rate of 6.125% through September, 2032; secured by real estate	83,161
Note payable to a bank, due in monthly installments of \$497, including interest at a rate of 5.25% through August, 2033; secured by real estate	79,844
Note payable to a bank, due in monthly installments of \$698, including interest at a rate of 5% through January, 2035; secured by real estate	118,367
Note payable to a bank, due in monthly installments of \$2,163, including interest at a rate of 5.93% through March, 2013; secured by equipment	65,706

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

Notes payable (two installment notes) to financing companies, due in monthly installments of \$591, including interest at a rate of 7.37%, through October, 2010; secured by the Organization's two vehicles	<u>3,494</u>
Total long-term debt	426,398
Less current portion of long-term debt	<u>36,420</u>
Total long-term debt, less current portion	<u>\$ 389,978</u>

Scheduled maturities of long-term debt are as follows:

<u>Year Ending</u>	
June 30, 2011	\$ 36,420
June 30, 2012	34,870
June 30, 2013	30,408
June 30, 2014	12,040
June 30, 2015	12,700
June 30, 2016 and thereafter	<u>299,960</u>
Total	<u>\$ 426,398</u>

8. Employee Retirement Plans

The Organization has a 401(k) defined contribution retirement plan, which allows for employee and employer contributions. The plan covers all employees age 20 and over who have completed 12 months of service and work a minimum of 1,000 hours per year. The Board of Directors has established an employer match of 25% of the employee contribution up to 7% of compensation. Pension expense under this plan was approximately \$61,000 for the year ended June 30, 2010.

The Organization also participates in a multi-employer pension plan covering certain union employees also covered under the Organization's 401(k) plan, pursuant to agreements between the Organization and the collective bargaining unit. This plan is a defined benefit plan; however, specific benefit levels are not negotiated with, or known by, the employer contributor. Contributions of approximately \$130,500 were made to the plan for the year ended June 30, 2010.

**CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010**

9. Concentrations of Credit and Market Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk are cash and cash equivalents and receivables. Occasionally, due to the payment terms on contracts with its funding sources, the Organization's cash balance in its accounts was in excess of the amount covered by insurance through the Federal Deposit Insurance Corporation (FDIC). Management does not believe significant credit risk exists at year-end.

Most of the Organization's outstanding receivables at year-end were from government contracts. Based on collections to date and past history of collections, the Organization has determined that the allowance for doubtful accounts in the amount of \$50,000 at year-end is adequate.

10. Commitments and Contingencies

Operating Lease Agreements

The Organization rents several buildings and office equipment under operating leases with terms in excess of one year as well as several tenant at will agreements. Approximately \$310,500 in building and equipment lease expenses were recorded in the financial statements for the year ended June 30, 2010.

Future minimum rental payments under operating leases are as follows:

Year Ending

June 30, 2011	\$ 179,400
June 30, 2012	<u>93,300</u>
Total	<u>\$ 272,700</u>

Employment Agreements

The Organization had an employment agreement with its Chief Executive Officer. The agreement ran through December 31, 2009, and required severance payments in the form of all of the aggregate salary and benefits the employee would have earned from the actual date of termination to the expiration date of this agreement. The agreement was not extended.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

Legal Proceedings

CranstonArc is from time to time subject to legal proceedings and claims that arise in the normal course of carrying out the CranstonArc's mission. In the opinion of management, the amount of ultimate liability with respect to actions outstanding as of June 30, 2010 will not have a material adverse effect on the CranstonArc's financial position or its results of operations.

11. Concentration of Business

The Organization's principal source of revenue is provided by the State of Rhode Island under various contracts for services provided. In general, either party may terminate a contract with sixty days notice. For the year ended June 30, 2010, the Organization received approximately \$10,632,000 (75% of unrestricted revenue and support) from the State of Rhode Island.

At June 30, 2010, the Organization had a total of 441 employees. Of this total, 169 employees are represented by Local Lodge 2363 of District 170, International Association of Machinists and Aerospace Workers, AFL-CIO. The current labor agreement expired on January 8, 2010 and has continued to be extended monthly.

12. Acquisition

On July 29, 2009, CranstonArc acquired People In Partnerships, Inc. People In Partnerships, Inc. provides vocational training and placement for people with disabilities and those who are seeking employment with a goal to move from welfare to work. The training includes Certified Nursing Assistant courses, food service training through the operation of a cafeteria and catering business. Computer training and office management programs are also offered. The transaction was completed under the acquisition method and People In Partnerships, Inc. held assets and liabilities of approximately \$86,000 and \$35,000, respectively.



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*Certified Public Accountants
and Business Consultants*

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

To the Board of Directors of
CranstonArc:

We have audited the financial statements of CranstonArc (the Organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 17, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CranstonArc's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CranstonArc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, (CONTINUED)

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Kalu, Litwin, Kenya & Co., Ltd.

December 17, 2010

CRANSTONARC

Financial Statements

Year Ended June 30, 2009

(With Independent Auditors' Report Thereon)



*Certified Public Accountant
and Business Consultants*

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CRANSTONARC
FINANCIAL STATEMENTS
Year Ended June 30, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CranstonArc:

We have audited the accompanying statement of financial position of CranstonArc (the Organization) as of June 30, 2009 and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CranstonArc as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009 on our consideration of CranstonArc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Kahn, Litwin, Renza & Co., Ltd.

December 22, 2009

CRANSTONARC
STATEMENT OF FINANCIAL POSITION
June 30, 2009

	Operations	Donated Property and Equipment	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 669,181	\$ -	\$ 669,181
Accounts receivable	23,448	-	23,448
Grants and contracts receivable, net	1,648,213	-	1,648,213
Prepaid expenses	19,454	-	19,454
Total current assets	2,360,296	-	2,360,296
Property and Equipment, net	1,129,525	1,243,312	2,372,837
Deposits	13,811	-	13,811
Total assets	\$ 3,503,632	\$ 1,243,312	\$ 4,746,944
Liabilities and Net Assets			
Current Liabilities:			
Current portion of long-term debt	\$ 44,471	\$ -	\$ 44,471
Accounts payable	314,476	-	314,476
Accrued payroll and payroll taxes	672,148	-	672,148
Other accrued expenses	148,256	-	148,256
Total current liabilities	1,179,351	-	1,179,351
Advances from State of Rhode Island	849,471	-	849,471
Long-term Debt, less current portion	426,681	-	426,681
Total liabilities	2,455,503	-	2,455,503
Net Assets (Cumulative Deficit):			
Unrestricted:			
Available for operations	(23,600)	-	(23,600)
Invested in fixed assets	658,373	1,243,312	1,901,685
Board designated for reserve	386,991	-	386,991
Total unrestricted net assets	1,021,764	1,243,312	2,265,076
Temporarily restricted	26,365	-	26,365
Total net assets	1,048,129	1,243,312	2,291,441
Commitments and Contingencies (notes 5, 9, 11 and 13)	-	-	-
Total liabilities and net assets	\$ 3,503,632	\$ 1,243,312	\$ 4,746,944

CRANSTONARC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2009

	Operations	Donated Property and Equipment	Total
Changes in Unrestricted Net Assets:			
Revenue and support:			
Government contracts	\$ 10,407,271	\$ -	\$ 10,407,271
Tuition from local cities and towns	2,330,625	-	2,330,625
Workshop contracts	421,177	-	421,177
Daycare and preschool income	194,259	-	194,259
Consumer room and board	519,143	-	519,143
Interest income	5,862	-	5,862
Contributions and miscellaneous income	99,981	-	99,981
In-kind contribution (facilities)	-	84,000	84,000
Net assets released from restrictions	17,846	85,773	103,619
Total unrestricted revenue and support	13,996,164	169,773	14,165,937
Expenses:			
Residential programs	5,626,872	112,633	5,739,505
Provider tax on residential programs	333,960	-	333,960
Day and vocational programs	3,691,896	65,955	3,757,851
Child development program	3,022,489	26,099	3,048,588
General and administrative	1,187,748	-	1,187,748
Total expenses	13,862,965	204,687	14,067,652
Changes in unrestricted net assets	133,199	(34,914)	98,285
Changes in Temporarily Restricted Net Assets:			
Grant and contribution revenue	11,531	85,773	97,304
Net assets released from restrictions	(17,846)	(85,773)	(103,619)
Changes in temporarily restricted net assets	(6,315)	-	(6,315)
Changes in Total Net Assets	126,884	(34,914)	91,970
Net Assets at Beginning of Year	921,245	1,278,226	2,199,471
Net Assets at End of Year	\$ 1,048,129	\$ 1,243,312	\$ 2,291,441

CRANSTONARC
STATEMENT OF CASH FLOWS
Year Ended June 30, 2009

Cash Flows From Operating Activities:	
Changes in total net assets	\$ 91,970
Adjustments to reconcile changes in total net assets to net cash used by operating activities:	
Depreciation	282,378
Changes in operating assets and liabilities:	
Receivables	(432,898)
Prepaid expenses and deposits	2,024
Accounts payable	(26,506)
Accrued payroll and payroll taxes	21,408
Other accrued expenses	33,968
Total adjustments	<u>(119,626)</u>
Net cash used by operating activities	<u>(27,656)</u>
Cash Flows From Investing Activities:	
Purchases of property and equipment	<u>(247,483)</u>
Net cash used by investing activities	<u>(247,483)</u>
Cash Flows From Financing Activities:	
Payments on long-term debt	<u>(42,054)</u>
Net cash used by financing activities	<u>(42,054)</u>
Net Decrease in Cash and Cash Equivalents	(317,193)
Cash and Cash Equivalents, beginning of year	<u>986,374</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 669,181</u></u>
Supplemental Data:	
Cash paid during the year for interest	<u><u>\$ 27,774</u></u>

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

1. Nature of Operations

CranstonArc (the Organization) was established by a group of parents in 1965 as the Cranston Association for Retarded Children, incorporated under the laws of the State of Rhode Island as a non-profit organization.

The purpose of the Organization is to empower persons with disabilities and their families to find and make effective use of resources that support them in developing their abilities and living purposeful lives. The Organization provides a school program, supported employment and workshop programs and residential facilities for adults with mental retardation or other developmental disabilities, as well as community support services.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of CranstonArc is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities. The net assets of the Organization have been recorded in three different classifications as follows:

Unrestricted net assets - consist of unrestricted amounts that are available for use in carrying out the mission of the Organization.

Temporarily restricted net assets - consist of those amounts which are donor restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. At year-end, the Organization had \$26,365 in temporarily restricted net assets to be used for individuals with developmental disabilities.

**CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009**

Permanently restricted net assets - result from contributions from donors who place restrictions on the use of donated funds mandating that the original principal remain invested in perpetuity. At year-end, the Organization had no permanently restricted net assets.

In addition, the activities of the Organization are reported in self-balancing fund groups as follows:

Operations fund - represents funds which are available for support of the Organization's programs and day-to-day activities.

Donated property and equipment fund - represents donated fixed assets, as well as resources designated for further fixed asset acquisitions.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less.

Property and Equipment

The Organization follows the policy of capitalizing as fixed assets all significant purchases of equipment and improvements (\$2,000 or greater). Items of lesser value or repairs that do not add significantly to the life of the asset are expensed. Property and equipment are reported at cost, and donations of property are recorded at their estimated fair value at the date of donation.

Depreciation is calculated under the straight-line method over the estimated useful lives of the assets ranging from 4 to 40 years.

Account, Grant and Contract Receivables and Revenue Recognition

The Organization carries its account, grant and contract receivables at net realizable value. On a periodic basis, the Organization evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past bad debt expense and collections and current credit conditions. Allowance for doubtful accounts was approximately \$30,000 for at June 30, 2009.

The Organization does not accrue interest on account, grant and contract receivables. A receivable is considered past due if payment has not been received within stated terms. The Organization will then exhaust all methods in-house to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged to the allowance for doubtful accounts.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

The Organization recognizes fees for service and contract revenue when services to clients have been rendered and/or contractual obligations have been met. From time to time during the year due to funding source payment schedules, the Organization may receive funds in excess of current program expenditures. These funds are recorded in the accounting records by the Organization as deferred revenue until such time that the Organization incurs expenditures related to the specific program for which the funds have been received.

Contributed Facilities

Four of the group homes operated by the Organization are located in buildings owned by the State of Rhode Island and are provided to the Organization at \$1 per year. The estimated value of this space was approximately \$84,000 for the year ended June 30, 2009, and has been recorded in the statement of activities and changes in net assets. There is no formal lease agreement with regard to these properties.

Functional Allocation of Expense

The expenses incurred to provide the various programs and activities of the Organization 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 based on management's estimates.

Income Taxes

The Organization is exempt from income taxes as a public charity under section 501(c)(3) of the Internal Revenue Code.

Estimates and Assumptions

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

Subsequent Events

Management has evaluated subsequent events through December 22, 2009, which is the date these financial statements were available to be issued.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

3. Program Descriptions

The Organization has been providing programs and services to children and adults with mental retardation and developmental disabilities for over 40 years. The Organization currently supports more than 400 families in Rhode Island, offering a wide range of programs and services that incorporate the philosophy of helping people with disabilities gain greater independence as described below:

Residential Programs - The residential programs consist of various apartment units and homes and are designed to provide adults with instructional services and living experience which allow them to achieve economic and living independence through fully supervised or semi-independent living programs.

Day and Vocational Programs - The Organization provides a variety of day services for adults and students, according to individual needs and preferences. These include school-to-work experience, vocational training within a workshop setting, and supported employment services including job placement, coaching and on-going employment support. A community options program also gives individualized support to people who volunteer in over 50 locations.

BetterShred - The business venture of CranstonArc BetterShred, located at 21 Palmer Avenue in Cranston, Rhode Island, is a plant-based document destruction business. The business grew from a workshop-based project. The business developed as it became apparent that there was a strong need for this type of business in Rhode Island, and it would create real work opportunities for people with disabilities. BetterShred offers secure document destruction services to government agencies, colleges and universities, private businesses, human service agencies, medical offices and individuals throughout Rhode Island. The Organization provides containers and consoles for ongoing business as well as performing one time purges of old files for businesses and organizations. The work provides jobs such as material handling, customer service, pick-up and drop-off of bins and consoles, paper sorting, and operation of the shredder. People with disabilities perform each of the jobs noted above. It is the intent of BetterShred to hire a percentage of the work force who are not disabled. The rationale for this is based on the belief that an integrated work environment adds more potential for those the Organization supports to become more active members of their community.

**CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009**

Child Development Programs - The Organization's child development programs for children with developmental disabilities include Cornerstone School and Creative Beginnings toddler preschool and kindergarten, which are developmentally appropriate education and special education programs certified and licensed by the State of Rhode Island. Cornerstone School provides specialized education and healthcare programs for children with physical, cognitive and medical disabilities, while Creative Beginnings offers a "learn through play" curriculum that includes both educational and development goals for both typical and disabled childcare.

The Organization also provides in-home services such as Home Based Treatment Services (HBTS), Personal Assistance Support Services (PASS), and Respite Services to children and their families. HBTS is designed to improve functional skills, promote emotional health and physical well being, increase independence, and facilitate full community participation. PASS is designed to improve functional skills, promote emotional health and physical well being, increase independence, and facilitate full community participation. Respite services were designed to assume temporary care of the child with special health care needs within the child's home and community so that other family members can find relief from these increased responsibilities, or additional support during crisis situations.

Recreation Programs - Recreational services are available at night and on weekends, as are various adult educational programs.

4. Property and Equipment

The Organization's property and equipment consisted of the following at year-end:

Land	\$ 415,091
Land improvements	32,489
Buildings and building improvements	3,334,717
Furniture and fixtures	169,834
Motor vehicles	777,841
Equipment	665,645
Leasehold improvements	38,444
	<hr/>
	5,434,061
Less accumulated depreciation	3,061,224
	<hr/>
Property and equipment, net	<u>\$ 2,372,837</u>

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

5. Bank Line of Credit

The Organization has a \$400,000 secured revolving line of credit with a bank. Amounts borrowed under the line of credit are payable on demand and are secured by substantially all of the assets of the Organization. Interest is at the one month LIBOR rate (.309% at June 30, 2009) plus 2.5%. At year-end, there was no outstanding balance on the line of credit.

6. Advances From State of Rhode Island

The Organization has agreements with the State of Rhode Island (the State) to operate residential facilities and day programs for adults with retardation and developmental disabilities. Under these agreements, the State advances the Organization an amount equivalent to forty-five days per client at the agreed-upon per diem rate to provide cash flow for the programs. This advance of approximately \$849,500 has been classified as a long-term liability as it is anticipated that the State will continue to provide these funds. Due to current economic conditions, the potential exists for the State at its sole discretion to require all or a portion of the funds be repaid.

7. Long-term Debt

At year-end, the Organization's long-term debt consisted of the following:

Note payable to bank, due in monthly installments of \$354, including interest at a rate of 5.25% through March, 2024; secured by real estate	\$ 41,647
Note payable to bank, due in monthly installments of \$337, including interest at a rate of 5.25% through March, 2024; secured by real estate	38,367
Note payable to bank, due in monthly installments of \$571, including interest at a rate of 6.125% through September, 2032; secured by real estate	84,864
Note payable to bank, due in monthly installments of \$497, including interest at a rate of 5.25% through August, 2033; secured by real estate	81,567

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note payable to bank, due in monthly installments of \$698, including interest at a rate of 5% through January, 2035; secured by real estate	120,757
Note payable to bank, due in monthly installments of \$2,163, including interest at a rate of 5.93% through March, 2013; secured by equipment	87,070
Notes payable (two installment notes) to financing companies, due in monthly installments of \$591, including interest at a rate of 7.37%, through October, 2010; secured by the Organization's two vehicles	<u>16,880</u>
Total long-term debt	471,152
Less current portion of long-term debt	<u>44,471</u>
Total long-term debt, less current portion	<u>\$ 426,681</u>

Scheduled maturities of long-term debt are as follows:

<u>Year Ending</u>	
June 30, 2010	\$ 44,471
June 30, 2011	36,427
June 30, 2012	34,868
June 30, 2013	30,408
June 30, 2014	12,040
June 30, 2015 and thereafter	<u>312,938</u>
Total	<u>\$ 471,152</u>

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

8. Provider Taxes

The State of Rhode Island imposes a Health Care Provider Tax at an average rate of 5.5% of Medicaid revenues. This tax is segregated from program service expenses on the statement of activities and changes in net assets. The amounts paid by the Organization for this tax are reimbursed by Medicaid funds. As of July 1, 2009, the State of Rhode Island has eliminated the provider tax; the corresponding Medicaid funding will be reduced accordingly.

9. Employee Retirement Plans

The Organization has a 401(k) defined contribution retirement plan, which allows for employee and employer contributions. The plan covers all employees, age 20 and over who have completed 12 months of service and work a minimum of 1,000 hours per year. The Board has established an employer match of 50% of the employee contribution, up to 7% of compensation. Effective August 1, 2008, the employer match is reduced to 25% of the employee contribution up to 7% of compensation. Pension expense under this plan was approximately \$72,500 for the year ended June 30, 2009.

The Organization also participates in a multi-employer pension plan covering certain union employees also covered under the Organization's 401(k) plan, pursuant to agreements between the Organization and the collective bargaining unit. This plan is a defined benefit plan; however, specific benefit levels are not negotiated with, or known by, the employer contributor. Contributions of approximately \$123,400 were made to the plan for the year ended June 30, 2009.

In addition, the Organization had a 403(b) salary deferral plan available for voluntary employee contributions. The Organization has discontinued offering this plan as of December 17, 2008.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

10. Concentrations of Credit and Market Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk are cash and cash equivalents and receivables. Occasionally, due to the payment terms on contracts with its funding sources, the Organization's cash balance in its accounts was in excess of the amount covered by insurance through the Federal Deposit Insurance Corporation (FDIC). Management does not believe significant credit risk exists at year-end.

Most of the Organization's outstanding receivables at year-end were from government contracts. Based on collections to date and past history of collections, the Organization has determined that the allowance for doubtful accounts in the amount of \$30,000 at year-end is adequate.

11. Commitments and Contingencies

Operating Lease Agreements

The Organization rents several buildings and office equipment under operating leases with terms in excess of one year. Approximately \$289,400 in building and equipment lease expenses have been recorded in the financial statements for the year ended June 30, 2009.

Future minimum rental payments under operating leases are as follows:

Year Ending

June 30, 2011	\$ 161,100
June 30, 2012	161,100
June 30, 2013	<u>93,300</u>
Total	<u>\$ 415,500</u>

Employment Agreements

The Organization has an employment agreement with its Executive Director. This agreement runs through December 31, 2009, and requires severance payments in the form of all of the aggregate salary and benefits the employee would have earned from the actual date of termination to the expiration date of this agreement.

CRANSTONARC
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

12. Concentration of Business

The Organization's principal source of revenue is provided by the State of Rhode Island under various contracts for services provided. In general, either party may terminate a contract with sixty days notice. For the year ended June 30, 2009, the Organization received approximately, \$10,407,000 (74% of unrestricted revenue and support) from the State of Rhode Island.

At June 30, 2009, the Organization had a total of 412 employees. Of this total, 169 employees are represented by Local Lodge 2363 of District 170, International Association of Machinists and Aerospace Workers, AFL-CIO. The current labor agreement has been extended through January 8, 2010. The Organization is currently in negotiations regarding a new agreement.

13. Subsequent Event

In December 2008, the Board of Directors of the Organization voted to authorize a merger with People In Partnerships, Inc. The merger was completed on July 29, 2009 and CranstonArc is the surviving entity. As of July, 29, 2009, People In Partnerships, Inc. held assets and liabilities of approximately \$86,000 and \$35,000, respectively. People In Partnerships, Inc. also had estimated annual revenue and expenses of approximately \$450,000 and \$436,000, respectively. This program provides vocational training and placement for people with disabilities and those who are seeking employment with a goal to move from welfare to work. The training includes Certified Nursing Assistant courses, food service training through the operation of a cafeteria and catering business. Computer training and office management programs are also offered.

At the same meeting, the Board of Directors also voted to authorize the formation of a parent company in collaboration with Looking Upwards, another provider agency operating in Rhode Island. As of the date of this report, the final legal documents have not been filed with the State.

951 North Main Street, Providence, Rhode Island 02904
Phone: 401-274-2001 • Fax: 401-831-4018
Email: TrustedAdvisors@KahnLitwin.com • www.KahnLitwin.com

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

To The Board of Directors of
CranstonArc:

We have audited the financial statements of CranstonArc (the Organization), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 22, 2009. 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 of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CranstonArc's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CranstonArc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*, (Continued)**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of CranstonArc in a separate letter dated December 22, 2009.

This report is intended solely for the information of the audit committee, management, others within the entity and awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kelby, Litwin, Perry & Co., Ltd.

December 22, 2009

AccessPoint RI
Living Rite
Job Description

TITLE: Clinical Director- Living Rite Center **AFFILIATE:** AccessPoint RI

REPORTS TO: Agency Executive Director/
Vice President and Center
Medical Director

POSITIONS SUPERVISED:
Nurse practitioner, nurse case managers,
office manager, ancillary professional
staff, peer wellness coaches, peer
mentors

POSTION SUMMARY: Oversees all facets of primary care clinic and interdisciplinary team services and programming including licensing, family and consumer advocacy, intra-agency and community relations, fiscal management, programmatic issues, staff issues, and contracts.

QUALIFICATIONS: Master's Degree in Nursing or other Human Service field. 5 years progressive management leadership, or substantially equivalent combination of education and experience.
Must have valid driver's license, safe driving record, automobile insurance and own vehicle to be used as directed and when needed for transportation.
Must comply with all immunizations and screenings required by regulatory bodies.

ESSENTIAL FUNCTIONS:

- Liaison with University of Rhode Island (URI) Living Rite project principal investigator as well as all other URI team members to ensure program meets all standards set forth in contract.
- Liaison with CMS team members as appropriate to ensure compliance with all Healthcare Innovation Award standards.
- Works with agency leadership and medical director to establish current and long-range objectives, plans, and policies for the program within the context of requirements from URI as contracting agency and CMS as grantor.
- Responsible for certification and/or licensing requirements for the program and all services.
- Works closely with URI team members and other Monitoring Committee members to ensure delivery of data necessary to evaluate individual and population outcomes.
- Secures and supervises all Center staff and ancillary professional personnel.
- Provides advice, guidance, direction, and authorization to staff to carry out major plans and procedures consistent with established policies.
- Oversees the adequacy and soundness of the Program's financial and operational structures.
- Closely monitors operations including the monitoring and auditing of all fiscal and human resource activities, developing and submitting agency budgets and operational plans, and ensuring the financial and operational integrity of the program.
- Reviews program operating results, compares them to established objectives, and takes steps to ensure that appropriate measures are taken to correct unsatisfactory results.

AccessPoint RI
Living Rite
Job Description

- Assists with providing representation and diplomatic leadership to clients, stakeholders, outside businesses, government entities, and the public in advocating for and driving the organization's initiatives.
- Monitors industry 'Best Practices' and leads team to incorporate into program.
- Establishes and maintains progressive and effective networks of communication to create support and understanding for department initiatives and an openly accessible environment for all employees and stakeholders.
- Effectively resolves conflict.
- Leads, directs, and tracks performance management programs to ensure that direct reports are developing and applying fair standards consistent with organization policies and procedures and are used as a means to develop employees.
- Builds teams that endorse and support measurable quality initiative processes to boost level of quality standards; assures that all teams bring people together in the common interest of the organization.
- May provide 24-hour, on call coverage for the department.
- Assists with advocating on an organizational and state level for the protection of the rights and dignities of individuals with developmental disabilities and the extension of those rights and dignities to family members or guardians.
- Upholds and complies with all safety programs and policies to maintain a safe work environment for employees, clients, family members and visitors.
- Supervises and directs staff towards the development and maintenance of high quality supportive services. This includes mentoring staff to follow through on timely performance appraisals, disciplinary and employee relations, wage and salary, and interview and hiring processes.
- Solicit and coordinate stakeholder involvement in the direction of program and services for individuals.
- Protects the rights and dignities of individuals with developmental disabilities and extend these rights and dignities to family members or guardians.
- Upholds and complies with all safety programs and policies to maintain a safe work environment for employees, clients, family members and visitors.
- Commits to organizational quality initiatives by participating in programs that will assure quality improvement and team processes.
- Adheres to principles for the ethical conduct of research.

ADDITIONAL RESPONSIBILITIES:

AccessPoint RI
Living Rite
Job Description

PHYSICAL REQUIREMENTS: The physical demands and work environment characteristics described here are representative of those that must be met by an employee to successfully perform the essential functions of this position. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Physical demands: Sitting, pushing, pulling, carrying, grasping, speaking, listening, stooping, crouching, bending, standing, twisting, crawling, walking, climbing. May be required to lift up to seventy-five (75) pounds or up to two-hundred (200) pounds with assistance.

Work environment: Office Environment. May travel to multiple locations.

STATUS: Exempt

STATE CROSS REFERENCE: : N/A

AccessPoint RI
Living Rite
Job Description

General sign-off: The employee is expected to adhere to all company policies and to act as a role model in the adherence to policies. This document does not constitute a contract and does not supersede the *employment-at-will* condition.

I have read and understand my job description.

Employee

Date

Employee Printed Name

Supervisor

Date

Supervisor Printed Name

For HR use only.

EEO CATEGORY:

- 1.1 Executive/Senior-level Official
- 1.2 First/Mid-level Manager
- 2.0 Professional
- 3.0 Technician
- 4.0 Sales Worker

- 5.0 Administration/Support
- 6.0 Craft Worker
- 7.0 Operative
- 8.0 Laborer/Helper
- 9.0 Service Worker

FLSA STATUS:

- Hourly
- Nonexempt
- Exempt

Untitled Document

Describe: fender bender in a parking lot

Have you been convicted of violations of motor vehicle laws or ordinances (other than parking) in the last 3 years? No

Describe: N/A

References

List two references familiar with your recent work whom we may contact.

1. Name	Rory Carmody	Phone Number	401-942-3445
Position Title	Director, Program Development	Company Name	AccessPoint RI
2. Name	Mary Madden	Phone Number	N/A
Position Title	Acting Director/CEO	Company Name	Training Thru Placement

Signature

I understand and agree that this agency will complete a criminal conviction and driving record check as a part of the selection process for employment, and that all employment offers will be contingent on the results of this background investigation. I understand and agree that, if hired, my employment is for no definite period and may, regardless of the date of payment of my wages and salary, be terminated at any time without any prior notice.

The information provided in this Application for Employment is true, correct, and complete. If employed, any misstatement or omission of fact on this application may result in my dismissal.

I understand that acceptance of an offer of employment does not create a contractual obligation upon the employer to continue to employ me in the future.

If you decide to engage an investigative consumer reporting agency to report on my credit history or personal history, I authorize you to do so. If a report is obtained you must provide, at my request, the name and address of the Agency so I may obtain from them the nature and substance of the information contained in the report.

I authorize AccessPoint RI to contact any or all of my former employers or any of the references I supplied, for the purpose of verifying any information, whether favorable or unfavorable, about me or my employment with any former employer, except as noted below.

Please accept this application in confidence and refrain from contacting my current employer - The J.Arthur Trudeau Memorial Center.

By checking this box, I state that I have read the above statements, and fully understand and agree: on

Signature: Type your full name: Joanne Savoie Date: N/A

Joanne M. Savoie, MA, CRC

29 Helen Avenue
Coventry, RI 02816
401.203.7406
jmsavoie@verizon.net

Objective: To secure an advanced position in rehabilitation services that will best utilize my skills, experience and education, while presenting the opportunity for professional growth.

Summary of Qualifications

- An experienced human services professional with demonstrated success in developing and monitoring innovative service models and evaluating alignment of services with operational goals and objectives.
- Extensive experience in management of special projects from ideation to execution including budget development and monitoring; process improvement; and regulatory compliance and reporting.
- Excellent communication skills; ability to effectively interact with internal and external stakeholders related to strategic initiatives.

Professional Experience

J. Arthur Trudeau Memorial Center

3445 Post Road, PO Box 7789, Warwick, Rhode Island 02886
Director, Adult Day Habilitation & Vocational Rehabilitation Services 2004-present
Program Coordinator, Community & Family Support Services 1994-1999

State of Rhode Island Dept. Human Services, Office of Rehabilitation Services

40 Fountain Street, Providence, Rhode Island 02903
Vocational Rehabilitation Counselor I- Transition Specialist, Region X 2001-2004

Cranston Aro (Access Point RI)

111 Comstock Parkway, Cranston, Rhode Island 02920
Director, The Support Network 1999-2001
Residential Assistant 1989-1992
Community Coordinator 1987-1989
Residential Assistant Manager 1986-1987

Martha's Vineyard Community Services

Vineyard Haven, Massachusetts
Program Coordinator, Residential Support Services 1992-1994

John E. Fogarty Center/Greater Providence Aro

220 Woonasquatucket Avenue, Providence, Rhode Island 02911
Direct Support Professional 1983-1992

Education

- M.A. Rehabilitation Counseling, Assumption College, Worcester, Massachusetts
- B.A. Psychology, University of Rhode Island, Kingston, Rhode Island

Joanne M. Savoie
29 Helen Avenue
Coventry, RI 02816

March 6, 2013

Thomas Kane
President/CEO
Access Point RI
111 Comstock Parkway
Cranston, RI 02921

Dear Mr. Kane:

Please accept my attached resume in consideration for the position Living Rite Clinic Director.

I am an experienced rehabilitation professional, having worked in a variety of settings, primarily with individuals with intellectual and developmental disabilities. I have extensive experience in program management and project management in the developmental disabilities field.

I am quite familiar with the Living Rite proposal and am confident of the skills I can bring to the Living Rite Clinic Director position; I look forward to the opportunity to review them with you on Thursday, March 7, 2013.

I appreciate the opportunity to meet with you and learn more about Access Point RI's implementation of the Living Rite proposal. In the event the storm forecasted for our region impacts our appointment, please feel free to contact me at 401.829.7406.

Thank you in advance for your consideration.

Sincerely,

Joanne M. Savoie

410 11



Senior Level Organizational Chart with Corresponding Programs

February 2013

Board of Directors
President, Beverly Najarian

Thomas P. Kane
President and CEO

Executive Admin
Assistant
Beverly Iuliano

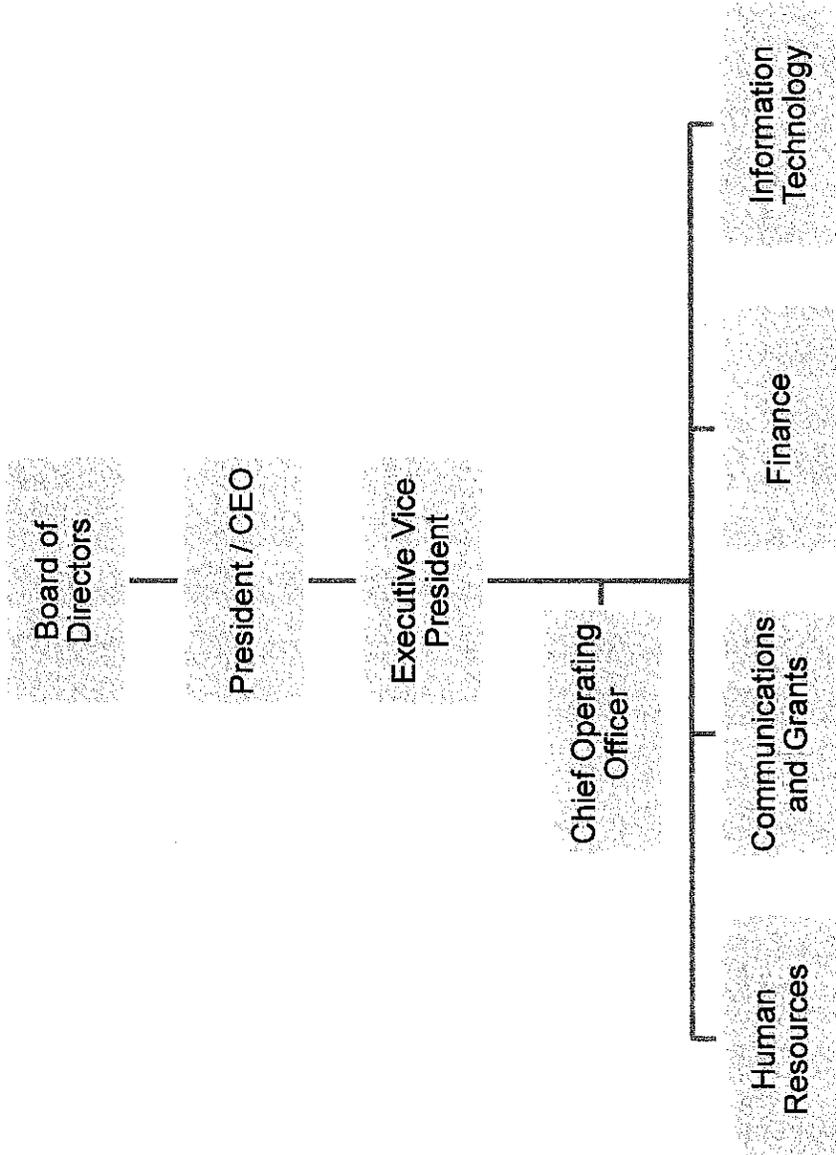
Chief Operating Officer	Director of Human Resources	Director of Residential Services	Director of Program Development	Director of Child Development	Director of Clinical Services	Director of People In Partnerships	Director of Communications and Grants
Kevin McHale	Maureen Russo	Sheila DiVincenzo	Rory Carmody	Patricia Krakowsky	Gary Paulhus	Patricia Murray	Denise Lassier
Purchasing Alayne Lanigan	24-Hour Group Homes	Supported Employment Jim Coleman	Cornerstone School Administration	Speech Pathology	CNA Training Program	Office Assistant Training	
Buildings and Grounds John Lischio	Semi-Independent Living	Quality and Standards Donna Cerro	Teachers	Clinical Services	Office Assistant Training	Food Service Training	
Better Shred Jim O'Connor	In-Home Supports	NISH	Pediatric Nursing	Children's Clinical Services Mary Ruggiero			
Finance Pat Coppage	Shared Living Arrangements	Recreation Program Sheila Testa	Clinical	Treatment Coordinator		Regan Grille	
IT Systems Administrator Jason Marino	Residential Nursing	Community Based Services Cathy Silva	Transition Services	Treatment Consultant		Community Resource Coordinator, Gail Flodin	
		Senior Services at 111 Comstock Patricia Goncalves		Physical Therapy			
				Occupational Therapy			
The Keystone Group							

The Keystone Group
(Parent Corporation)
EIN 27-1974358



AccessPoint RI
EIN 05-6015153

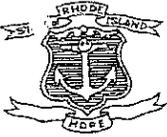
Looking Upwards
EIN 05-0376075



Providing Strength & Stability for Member Organizations

P.O. Box 4288
Middletown, RI 02842

P: 401.383.8787
F: 401.633.0070



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Administration

No 29.

STATE PROPERTIES COMMITTEE
One Capitol Hill
Providence, RI 02908

CERTIFICATE OF DISCLOSURE OF CORPORATION

I, Walter McGarry, Secretary of CranstonArc, under oath make affidavit
and say that the following, the officers and directors of said nonprofit corporation,
having been duly elected and/or appointed to:

President A. Michael Marques
Vice President
Treasurer Thomas Hogg
Secretary Walter McGarry

State of Incorporation Rhode Island
Principle Place of Business 111 Comstock Parkway, Cranston, RI 02920

DIRECTORS

Table with 2 columns: Name, Address. Rows include A. Michael Marques, Tom Hogg, Walter McGarry, Nancy Webber, Marie Bianco.

Additional Directors listed on attached sheet.

STOCKHOLDERS

Address

Property under lease to/from the State of Rhode Island covered by this certificate:

Location: 1240 Park Avenue, Cranston, RI 02920

State Offices Occupying Property (if any): None

In witness whereof I have hereunto set my hand and the seal of the said CranstonArc,
(hereunto duly authorized) this 28 day of September 2010

By [Signature] its Secretary.

STATE OF RHODE ISLAND
COUNTY OF Providence

Subscribed and sworn to before me at 12:45 p.m. this 28th day of September 2010.

Joyce M. Nelson
NOTARY PUBLIC

Attachment Page for Certificate of Disclosure of Corporation—Directors (continued)

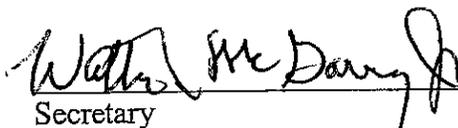
Kevin DelBonis	Knightsville Manor, Apt. 1306, 85 Briggs Street, Cranston, RI 02920
Valerie Izzi	44 Torrington Drive, Warwick, RI 02889
Elaine Lyden	430 Central Avenue, Johnston, RI 02919
Beverly Najarian	32 Regina Drive, West Greenwich, RI 02817
Peter Rotelli	26 Bridgham Farm Road, Rumford, RI 02916
Robert Salvagna	Riveredge Village, Apt. 207, 993 Manton Avenue, Providence, RI 02909
Veronica Vacca	154 Park Forest Road, Cranston, RI 02920

CERTIFICATE OF AUTHORITY

I, Walter McGarry, certify that I am the
Secretary of CranstonArc,
the corporation described in and which executed the foregoing instrument with the State
of Rhode Island; that said corporation is organized under the laws of the State of Rhode
Island, that the corporate seal affixed to said instrument is the seal of said corporation;
that Thomas P. Kane, who executed said instrument as
President and CEO of said corporation, was then President and CEO
of said corporation and has been duly authorized to execute said instrument in behalf of
said corporation; that I know the signature of said Thomas P. Kane; and
that the signature affixed to such instrument is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
corporate seal of said corporation, this 28 day of September,
A.D. 20 10.

Walter McGarry


Secretary

CranstonArc *dignity, respect, choice for people with disabilities*

Mailing Address: P.O. Box 20130, Cranston, RI 02920

Thomas P. Kane
Executive Director

August 19, 2009

Re: 1240 Park Ave. Cranston, RI 02920

Mr. Craig Stenning
Director
State of Rhode Island
Department of MHRH
14 Harrington Rd.
Cranston, RI 02920

Dear Director Stenning,

This letter is to confirm that I am in receipt of the keys to 1240 Park Ave. in Cranston, which CranstonArc will be leasing from your Department. Attached, please find a Certificate of Liability Insurance, listing the Department as an additional insured with regard to general liability.

We are in the process of having the utilities switched over to CranstonArc. We will also be in touch with our fire alarm company to arrange for quarterly inspections once the building is occupied.

Please feel free to call me if you have any questions. 941-1112.

Sincerely,



Kevin J. McHale
Chief Operating Officer

cc P. Grenon

Client#: 32238

CRANS23

ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 08/19/09
PRODUCER Mastors & Servant, Ltd. 5700 Post Road P.O. Box 1158 East Greenwich, RI 02818	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Cranston Arc 111 Comstock Pkwy Cranston, RI 02920	INSURERS AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Insuranc INSURER B: INSURER C: INSURER D: INSURER E:	NAIC #

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY <input checked="" 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"/> PRO-JECT <input type="checkbox"/> LOC	PHPK425249	06/01/2009	06/01/2010	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
		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) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$
		EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in RI) <input type="checkbox"/> Y/N If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER \$ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
		OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Department of MHRH is listed as additional insured with regard to general liability only
 Loc# 24 - 1240 Park Ave; Cranston, RI

CERTIFICATE HOLDER

CANCELLATION

10 Days for Non-Payment

State of Rhode Island Dept. of MHRH 6 Harrington Rd Cranston, RI 02920	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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IMPORTANT

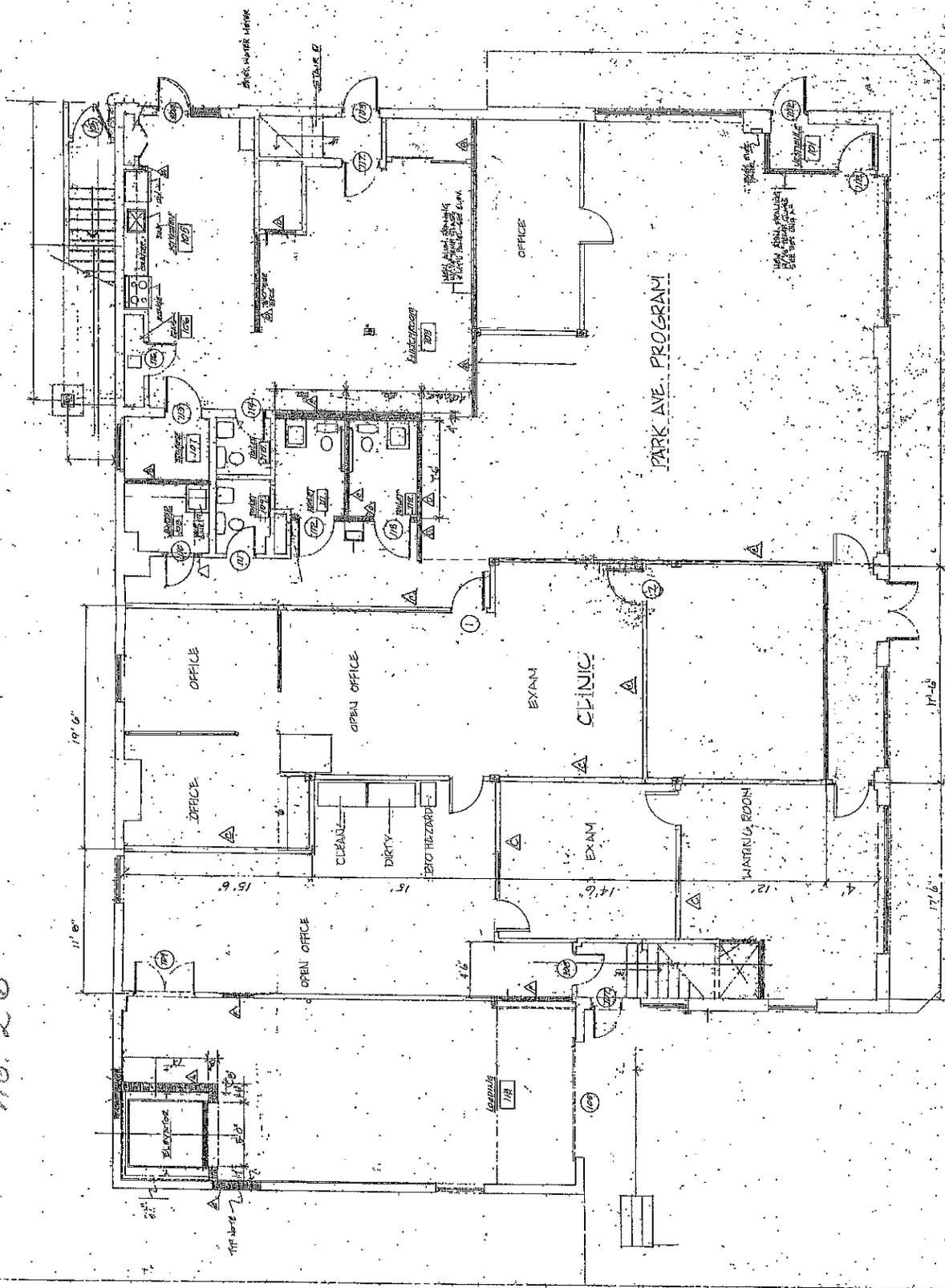
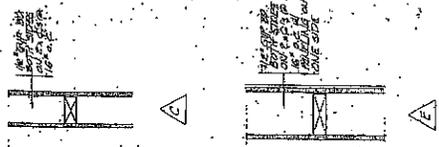
If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

No. 26



1240 PARK AVE. CRANSTON
 FIRST FLOOR PLAN
 SCALE: 1/8" = 1'-0"

Updated 3/19/2013
 Appendix E
 No. 1.

AccessPoint RI 2013 Board of Directors

Board Member/Date	Personal Address	Business & Location
Beverly Najarian (Former President 1998 to 2-2004) <i>Rejoined Board 8-4-10</i> President 1-2011 Executive Committee Strategic Planning Committee	32 Regina Drive West Greenwich, RI 02817	Retired State Administrator
Walter McGarry (11-2002) <i>Vice President 6-16-11</i> Executive Committee (BOD Secretary until 6-16-11) Mkt., Grants and Fundraising Committee	29 Valley Street Cranston, RI 02920	Retired State Worker
Scott P. Libman (4-18-12) <i>Treasurer 10-17-12</i> Executive Committee Finance Committee	5 Bow Run Saunderstown, RI 02874	CPA Libman & Associates 1130 Ten Road Road, A101 North Kingstown, RI 02852
James W. McArdle (2-16-11) <i>Secretary</i> Executive Committee Business Ventures and Development Committee Strategic Planning Committee	3438 Flat River Road Coventry, RI 02816	Director of Information Technology Tides Family Services 215 Washington Street West Warwick, RI 02893
Marie Bianco (5-1998) Mkt., Grants and Fundraising Committee	49 Allen Avenue Cranston, RI 02910	Family Service Coordinator Families First CEDARR 765 Allens Avenue, Suite 110 Providence, RI 02905
Kevin DeBonis (6-20-2001)	Knightsville Manor 85 Briggs Street, Apt. 1306 Cranston, RI 02920	Shaw's Supermarket Chapel Hill Boulevard Cranston, RI 02910
Kevin Flynn (6-15-11) Strategic Planning Committee	20 Marden Street Cranston, RI 02910	City Planner RI Division of Planning 1 Capitol Hill Providence, RI 02908
Valerie Izzi (7-1-09)	44 Torrington Drive Warwick, RI 02889	Comstock Industries 60 Stamp Farm Road Cranston, RI 02921
Elaine Lyden (2-1994) Mkt., Grants and Fundraising Committee	430 Central Avenue Johnston, RI 02919	Retired Teacher
Dan Majcher (8-29-12) CMS Grant Committee	188 Kimberly Lane Cranston, RI 02921	Attorney Division of Purchases RI Department of Administration
Linda Pearson (1-16-13) Finance Committee	185 Ives Road East Greenwich, RI 02818	CPA, CFE Sansiveri, Kimball & Co. 55 Dorrance Street Providence, RI 02903
Rosemary Rotelli (8-17-2011) Mkt., Grants and Fundraising Committee	26 Bridgham Farm Road Rumford, RI 02916	Retired Teacher