

**NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION, LLC (NORTH SOUND BHO)
CONTRACT AMENDMENT**

CONTRACT #NORTH SOUND BHO-THS-WISE-18

Amendment 1

Based on the Agreement of the parties to the above-referenced Contract between the NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION, LLC (North Sound BHO) and THERAPEUTIC HEALTH SERVICES (Contractor) dated February 21, 2018, is hereby amended as follows:

The purpose of this amendment is to update Single Audit Act language.

By agreement of the parties, the following language:

28. SINGLE AUDIT ACT

If Contractor or its subcontractor is a subrecipient of Federal awards as defined by OMB Circular A-133, Contractor and its subcontractors shall maintain records identifying all Federal funds received and expended. Such funds shall be identified by the appropriate OMB Catalog of Federal Domestic Assistance titles and numbers, award names and numbers, award years, if awards are for research and development, as well as, names of the Federal agencies. Contractor and its subcontractors shall make Contractor and its subcontractors records available for review or audit by officials of the Federal awarding agency, the General Accounting Office and DSHS. Contractor and its subcontractors shall incorporate OMB Circular A-133 audit requirements into all contracts between Contractor and its subcontractors who are subrecipients. Contractor and its subcontractors shall comply with any future amendments to OMB Circular A-133 and any successor or replacement Circular or regulation.

If Contractor/subcontractors are a subrecipient and expends \$500,000 or more in Federal awards from any/all sources in any fiscal year, Contractor and applicable subcontractors shall procure and pay for a single or program-specific audit for that fiscal year. Upon completion of each audit, Contractor and applicable subcontractors shall submit to North Sound BHO's Program Administrator the data collection form and reporting package specified in OMB Circular A-133, reports required by the program-specific audit guide, if applicable and a copy of any management letters issued by the auditor.

For purposes of "subrecipient" status under the rules of OMB Circular A-133 205(i), Medicaid payments to a subrecipient for providing patient care services to Medicaid eligible individuals are not considered Federal awards expended under this part of the rule unless a State requires the fund to be treated as Federal awards expended because reimbursement is on a cost-reimbursement basis.

