



STATE OF NEW HAMPSHIRE  
 DEPARTMENT OF HEALTH AND HUMAN  
 SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527  
 603-271-3958 1-800-852-3345 Ext. 3958  
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Nicholas A. Toumpas  
 Commissioner

José Thier Montero  
 Director

March 26, 2015

Her Excellency, Governor Margaret Wood Hassan  
 and the Honorable Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division of Public Health Services, to establish a list of licensed medical providers, with the ability to expand to include additional licensed medical providers to provide necessary outpatient visits labs, and diagnostic tests, and outpatient procedures for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016. 100% Other Funds.

VENDOR	LOCATION	VENDOR NUMBER
Harbor Homes	45 High Street Nashua, NH 03060	155358-B001

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

**05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES**

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2015	530-500371	Drug Rebates	90024608	\$100,000
SFY 2016	530-500371	Drug Rebates	90024608	\$100,000
		<b>Total</b>		<b>\$200,000</b>

### **EXPLANATION**

This requested action seeks approval of one of five (5) agreements that will ensure the provision of outpatient visits, labs, and diagnostic tests, and outpatient procedures services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed provider will provide outpatient visits labs, and diagnostic tests, and outpatient procedures services to enrolled clients, on an individual, case-by-case, as needed basis. The Department anticipates that the remaining four (4) agreements will be presented at an upcoming Governor and Executive Council meeting.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate outpatient care needs and without access to care will not receive prevention and treatment for outpatient visits, labs, and diagnostic tests, and outpatient procedures. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit medical providers to provide outpatient services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to 22 known providers on April 4, 2014, notifying them that a Request for Application was posted. Four (4) were received from licensed medical providers, and were approved for funding.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive outpatient services.

The geographic area to be served is statewide.

Source of Funds: 100% Other Funds from the Pharmaceutical Rebates.

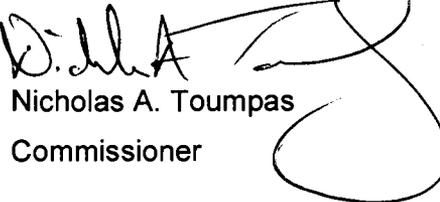
In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD, MHCDS  
Director

Approved by:



Nicholas A. Toumpas  
Commissioner

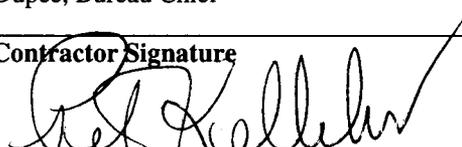
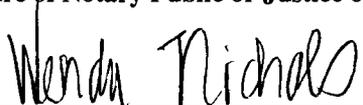
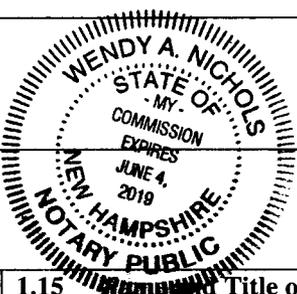
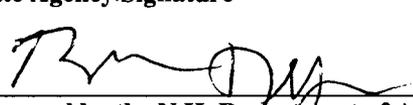
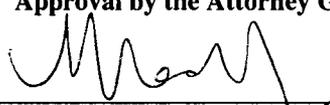
Subject: New Hampshire Ryan White CARE Program

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> NH Department of Health and Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301-3857	
<b>1.3 Contractor Name</b> Harbor Homes, Inc		<b>1.4 Contractor Address</b> 45 High Street Nashua, NH 03060	
<b>1.5 Contractor Phone Number</b> 603-882-3616	<b>1.6 Account Number</b> 05-95-90-902510-2229-530-500371	<b>1.7 Completion Date</b> June 30, 2016	<b>1.8 Price Limitation</b> \$200,000
<b>1.9 Contracting Officer for State Agency</b> Brook Dupee, Bureau Chief		<b>1.10 State Agency Telephone Number</b> 603-271-4483	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Peter Kelleher, President & CEO	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Hillsborough</u> On <u>2/17/15</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal] 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> Wendy Nichols			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> Brook Dupee, Bureau Chief	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  Megan A. Yapli - Attorney On: <u>4/20/15</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**  
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**  
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**  
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials:       
Date: 2/17/15

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

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

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

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report (“Termination Report”) describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

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

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials: JK  
Date: 2/19/15

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

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

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

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

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

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

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

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

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials:   
Date: 2/17/15



## Exhibit A

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### Scope of Services

#### 1. Program Name: New Hampshire Ryan White CARE Program

##### 1.1. Purpose:

The purpose of this agreement is to provide outpatient visits, labs and diagnostic tests, and outpatient procedures for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary medical services to New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

#### 2. Provision of Services:

2.1. The Contractor shall act as a representative of the NH CARE Program to provide outpatient visits, labs, tests and procedures to NH CARE Program clients.

2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed and the contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.

2.3. The Contractor shall invoice the NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program; services shall be reimbursed at NH Medicaid rates.

2.4. The Contractor shall participate in an annual site visit with NH CARE Program staff.

2.5. The Contractor shall provide client level data via CAREWare (OR a bridge to CAREWare from a compatible electronic medical record) to the NH CARE Program for the completion of annual reports to the Health Resources and Services Administration (HRSA).

2.6. The Contractor shall maximize billing to NH Medicaid and private insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for clients.

2.7. The Contractor shall participate in periodic monitoring calls with the contract monitor. The contract monitor shall be the primary point of contact for all NH CARE Program questions.



## Exhibit A

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### 3. Licensing Requirements:

Licensed Medical Providers performing services under this agreement must maintain a valid and unrestricted license to practice medicine in the United States and be free from any mental or physical impairment or condition which would preclude his/her ability to competently perform the essential functions or duties under this Agreement.

### 4. Licensed Medical providers shall adhere to the NH CARE Program Standards of Care for Outpatient and Ambulatory Medical Care, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by HRSA:

- <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>

### 5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

### 6. Entire Agreement:

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Revisions to General Provisions, Exhibit D Certification Regarding Drug-Free Workplace Requirements, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.



## Exhibit B

### Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual outpatient Ambulatory medical care services provided by the contractor to enrolled NH CARE Program clients. Services will be reimbursed at NH Medicaid rates.
2. Price Limitation: This Agreement is one of multiple Agreements that will serve the NH CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contactor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Outpatient Ambulatory Medical Care Services is 100% federal funds from the Pharmaceutical Rebates.
5. Contract medical provider shall complete and submit an outpatient visit, laboratory test, or diagnostic test Claim invoice, due within 30 days. Completed invoice must be submitted to:  

NH CARE Program  
Bureau of Infectious Disease Control  
Department of Health and Human Services  
Division of Public Health  
29 Hazen Drive  
Concord, NH 03301  
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their outpatient services related to Department of Health and Human Services funded programs and services.
7. Outpatient ambulatory medical care providers are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Medical provider's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



### SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:
  - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
  - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
  - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
  - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
  - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

#### DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

**COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

**DEPARTMENT:** NH Department of Health and Human Services.

**FINANCIAL MANAGEMENT GUIDELINES:** Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

**PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

**UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

**FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

**CONTRACTOR MANUAL:** Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

**SUPPLANTING OTHER FEDERAL FUNDS:** The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



Exhibit C-1

**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
  
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
  
3. **Extension:**

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.
  
4. **Insurance:**

Subparagraph 14.1.1 of the General Provisions of this contract is deleted and the following subparagraph is added:

  - 14.1.1 Comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and umbrella liability coverage in the amount of \$5,000,000 per occurrence.



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

**ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS**

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

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

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

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



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

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

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

Contractor Name: Harbor Homes Inc.

2/17/15  
Date

  
Name: Peter Kelleher  
Title: President & CEO



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

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

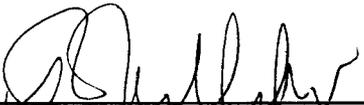
The undersigned certifies, to the best of his or her knowledge and belief, that:

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

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

Contractor Name: Harbor Homes Inc.

2/17/15  
Date

  
Name: Peter Kelleher  
Title: President & CEO



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

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

**INSTRUCTIONS FOR CERTIFICATION**

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



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

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

**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

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

Contractor Name: Harbor Homes Inc.

2/17/15  
Date

  
Name: Peter Kelleher  
Title: President & CEO



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**CERTIFICATION REGARDING**  
**THE AMERICANS WITH DISABILITIES ACT COMPLIANCE**

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

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Contractor Name: Harbor Homes Inc.

2/17/15  
Date

  
Name: Peter Kelleher  
Title: President & CEO



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Harbor Homes Inc.

2/17/15  
Date

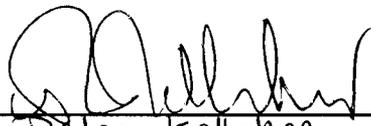
  
Name: Peter Kelleher  
Title: President & CEO



Exhibit I

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

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

**(1) Definitions.**

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



Exhibit I

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

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

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



Exhibit I

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

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

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

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

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

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



Exhibit I

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

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



Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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



Exhibit I

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

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

Department of Health and Human Svcs  
The State

*Brook Dupee*  
Signature of Authorized Representative

Brook Dupee  
Name of Authorized Representative

Bureau Chief  
Title of Authorized Representative

3/23/15  
Date

Harbor Homes Inc.  
Name of the Contractor

*Peter Kelleher*  
Signature of Authorized Representative

Peter Kelleher  
Name of Authorized Representative

President & CEO  
Title of Authorized Representative

2/17/15  
Date



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

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

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

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

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

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

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

Contractor Name: Harbor Homes Inc .

Name: Peter Kelleher  
Title: President & CEO

2/17/15  
Date



**FORM A**

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

1. The DUNS number for your entity is: B-1864357
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO                       YES

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

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

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

NO                       YES

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

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

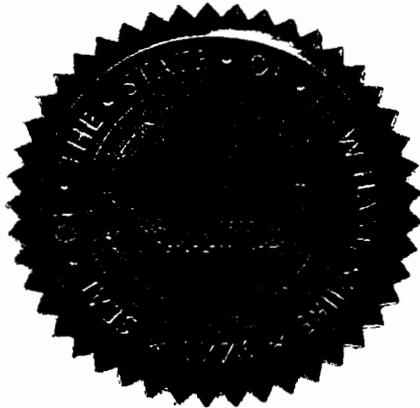
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HARBOR HOMES, INC. is a New Hampshire nonprofit corporation formed February 15, 1980. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 7<sup>th</sup> day of April A.D. 2014

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Laurie Goguen, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Harbor Homes Inc  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 02/17/15 :  
(Date)

**RESOLVED:** That the President & CEO  
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 17<sup>th</sup> day of February, 2015.  
(Date Contract Signed)

4. Peter Kelleher is the duly elected President & CEO  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Laurie Goguen, Secretary  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 17<sup>th</sup> day of February, 2015.

By Laurie Goguen  
(Name of Elected Officer of the Agency)

Wendy Nichols  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6/4/19







# Mission Statements

## **Harbor Homes, Inc.:**

The mission of Harbor Homes, Inc. is to create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

## **Welcoming Light Inc.:**

To provide residential and support services to elderly and disabled individuals in a manner that is compassionate, flexible, and emphasizes independence

## **Milford Regional Counseling Services, Inc.:**

To provide affordable counseling services to individuals and families

## **Greater Nashua Council on Alcoholism, Inc.**

**"To empower the chemically dependent person to take responsibility toward recovery through professional counseling in a caring environment"**

## **Healthy at Home, Inc.:**

To enhance the lives of people with illness or injury through a cooperative relationship with the community, professional medical service providers, and organizations that serve people in need of healthcare

CENTERS FOR MEDICARE & MEDICAID SERVICES  
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS  
*CERTIFICATE OF PROVIDER-PERFORMED MICROSCOPY PROCEDURES*

LABORATORY NAME AND ADDRESS  
HARBOR CARE HEALTH AND WELLNESS CENTER  
45 HIGH STREET  
NASHUA, NH 03060

CLIA ID NUMBER  
30D1098016

EFFECTIVE DATE  
02/11/2015

LABORATORY DIRECTOR  
GRACIELA SILVIA C SIRONICH-KA

EXPIRATION DATE  
02/10/2017

Pursuant to Section 353 of the Public Health Services Act (42 U.S.C. 263a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory located at the address shown hereon (and other approved locations) may accept human specimens for the purposes of performing laboratory examinations or procedures.

This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violation of the Act or the regulations promulgated thereunder.



*Karen W. Dyer*  
Karen W. Dyer, Acting Director  
Division of Laboratory Services  
Survey and Certification Group  
Center for Clinical Standards and Quality

47 Certs1\_040715

- If this is a Certificate of Registration, it represents only the enrollment of the laboratory in the CLIA program and does not indicate a Federal certification of compliance with other CLIA requirements. The laboratory is permitted to begin testing upon receipt of this certificate, but is not determined to be in compliance until a survey is successfully completed.
- If this is a Certificate for Provider-Performed Microscopy Procedures, it certifies the laboratory to perform only those laboratory procedures that have been specified as provider-performed microscopy procedures and, if applicable, examinations or procedures that have been approved as waived tests by the Department of Health and Human Services.
- If this is a Certificate of Waiver, it certifies the laboratory to perform only examinations or procedures that have been approved as waived tests by the Department of Health and Human Services.

FOR MORE INFORMATION ABOUT CLIA, VISIT OUR WEBSITE AT [WWW.CMS.GOV/CLIA](http://WWW.CMS.GOV/CLIA)  
OR CONTACT YOUR LOCAL STATE AGENCY. PLEASE SEE THE REVERSE FOR  
YOUR STATE AGENCY'S ADDRESS AND PHONE NUMBER.  
PLEASE CONTACT YOUR STATE AGENCY FOR ANY CHANGES TO YOUR CURRENT CERTIFICATE.

**HARBOR HOMES, INC.**  
**Financial Statements**  
**For the Year Ended June 30, 2013**  
**(With Independent Auditors' Report Thereon)**

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MELANSON HEATH & COMPANY, PC  
CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Harbor Homes, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Harbor Homes, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2013, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Activities by Cost Center and the Schedule of Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2013 on our consideration of the Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.

*Melanson, Heath + Company P.C.*

Nashua, New Hampshire  
December 9, 2013

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2013

	HUD I Program	HUD VI Program	Program Operations	Total
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 4,325	\$ 716	\$ 435,481	\$ 440,522
Accounts receivable, net of allowance for uncollectible accounts	201	1,352	693,720	695,273
Promises to give	-	-	50,000	50,000
Due from HUD Programs	-	-	6,177	6,177
Due from related organizations	-	-	79,954	79,954
Prepaid expenses	-	-	27,203	27,203
Total Current Assets	<u>4,526</u>	<u>2,068</u>	<u>1,292,535</u>	<u>1,299,129</u>
Property and Equipment, net of accumulated depreciation	85,214	300,707	15,951,685	16,337,606
Non-current Assets:				
Restricted deposits and funded reserves	54,647	16,430	128,629	199,706
Due from HUD Programs	-	-	33,292	33,292
Due from related organizations	-	-	227,592	227,592
Promises to give	-	-	50,000	50,000
Beneficial interest	-	-	128,237	128,237
Other assets	-	-	29,446	29,446
Total Non-current Assets	<u>54,647</u>	<u>16,430</u>	<u>597,196</u>	<u>668,273</u>
Total Assets	<u>\$ 144,387</u>	<u>\$ 319,205</u>	<u>\$ 17,841,416</u>	<u>\$ 18,305,008</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accounts payable	\$ 1,279	\$ 1,202	\$ 242,237	\$ 244,718
Accrued and other liabilities	1,361	1,416	494,759	497,536
Due to program operations	6,177	-	-	6,177
Due to related organizations	-	-	76,521	76,521
Other liabilities	4,248	-	-	4,248
Line of credit	-	-	807,868	807,868
Deferred revenue	-	-	63,657	63,657
Current portion of mortgages payable	12,818	4,191	210,418	227,427
Total Current Liabilities	<u>25,883</u>	<u>6,809</u>	<u>1,895,460</u>	<u>1,928,152</u>
Long Term Liabilities:				
Due to program operations	-	33,292	-	33,292
Due to related organizations	-	-	75,000	75,000
Security deposits	2,327	906	34,189	37,422
Other liabilities	-	-	29,446	29,446
Mortgages payable, tax credits	-	-	163,453	163,453
Mortgages payable, net of current portion	163,624	234,615	6,915,304	7,313,543
Mortgages payable, deferred	-	-	5,242,834	5,242,834
Total Long Term Liabilities	<u>165,951</u>	<u>268,813</u>	<u>12,460,226</u>	<u>12,894,990</u>
Total Liabilities	191,834	275,622	14,355,686	14,823,142
Unrestricted Net Assets (Deficit):				
HUD programs	(47,447)	43,583	-	(3,864)
Program operations	-	-	3,262,622	3,262,622
Temporarily Restricted Net Assets				
	-	-	223,108	223,108
Total Net Assets (Deficit)	<u>(47,447)</u>	<u>43,583</u>	<u>3,485,730</u>	<u>3,481,866</u>
Total Liabilities and Net Assets	<u>\$ 144,387</u>	<u>\$ 319,205</u>	<u>\$ 17,841,416</u>	<u>\$ 18,305,008</u>

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2013

	Unrestricted Net Assets			Temporarily Restricted Net Assets	Total
	HUD I Program	HUD VI Program	Program Operations		
<b>Public Support and Revenue:</b>					
<b>Public Support:</b>					
Federal grants	\$ -	\$ -	\$ 1,768,749	\$ -	\$ 1,768,749
State, local, and other grants	-	-	815,730	-	815,730
Donations	-	-	186,200	265,000	451,200
Donations in-kind	-	-	61,023	-	61,023
Net assets released from restriction	-	-	66,302	(66,302)	-
Total Public Support	-	-	2,898,004	198,698	3,096,702
<b>Revenue:</b>					
Department of Housing and Urban Development	39,623	50,959	2,469,804	-	2,560,386
Veterans Administrative grants	-	-	1,852,023	-	1,852,023
Medicaid - Federal and State	-	-	765,847	-	765,847
Rent and service charges, net	25,129	22,212	464,986	-	512,327
Contracted services	-	-	357,845	-	357,845
Outside rent	-	-	165,216	-	165,216
Miscellaneous	2,387	310	94,280	-	96,977
Employment projects	-	-	63,792	-	63,792
Food and common area fees	-	-	61,643	-	61,643
Management fees	-	-	34,425	-	34,425
Medicare revenue	-	-	25,818	-	25,818
Unrealized gain/(loss)	-	-	12,269	-	12,269
Interest	28	30	279	-	337
Loss on disposal of fixed assets	-	-	(1,580)	-	(1,580)
Sliding fee and free care	-	-	(23,456)	-	(23,456)
Bad debts	(34)	(7,238)	(26,792)	-	(34,064)
Total Revenue	67,133	66,273	6,316,399	-	6,449,805
Total Public Support and Revenue	67,133	66,273	9,214,403	198,698	9,546,507
<b>Expenses:</b>					
Program	81,065	76,279	7,795,538	-	7,952,882
Administration	20,019	9,365	1,424,791	-	1,454,175
Fundraising	-	-	193,625	-	193,625
Total Expenses	101,084	85,644	9,413,954	-	9,600,682
Change in net assets	(33,951)	(19,371)	(199,551)	198,698	(54,175)
Net Assets (Deficit), Beginning of Year	(13,496)	62,954	3,462,173	24,410	3,536,041
Net Assets (Deficit), End of Year	\$ (47,447)	\$ 43,583	\$ 3,262,622	\$ 223,108	\$ 3,481,866

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

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2013

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
<b>Expenses:</b>				
Accounting fees	\$ -	\$ 45,200	\$ -	\$ 45,200
Advertising and printing	28,553	657	-	29,210
Client services and assistance	28,395	-	-	28,395
Client transportation	10,212	-	-	10,212
Conference and conventions	37,124	190	-	37,314
Contract labor	155,287	16,525	-	171,812
Employee benefits	487,077	183,542	24,441	695,060
Enabling services	139	-	-	139
Equipment rental	1,396	7,644	-	9,040
Food	50,373	102	-	50,475
Fundraising expenses	-	-	4,843	4,843
Garbage and trash removal	12,462	7,271	62	19,795
Grants	225,293	-	-	225,293
Information technology	125,977	25,923	3	151,903
Interest expense - mortgage	307,793	20,500	368	328,661
Interest expense - other	-	37,772	-	37,772
Journals and publications	1,078	75	-	1,153
Legal fees	47,104	20,051	-	67,155
Management fees	-	11,169	-	11,169
Medical and clothing	68,605	-	-	68,605
Dues and subscriptions	3,652	3,695	-	7,347
Office supplies	31,846	10,486	335	42,667
Operating and maintenance	103,256	31,281	169	134,706
Operational supplies	54,845	7,974	71	62,890
Other expenditures	5,237	23,746	110	29,093
Payroll taxes	277,011	63,085	13,519	353,615
Postage/shipping	3,416	4,492	497	8,405
Professional fees	116,132	4,797	-	120,929
Property and liability insurance	100,841	16,578	290	117,709
Property taxes	14,198	-	-	14,198
Rent expense	1,991,130	-	-	1,991,130
Salary and wages	2,771,920	746,870	146,992	3,665,782
Security deposits	38,063	-	-	38,063
Snow removal	32,080	8,493	56	40,629
Staff development	9,141	367	25	9,533
Staff expense	18,066	7,405	102	25,573
Staff transportation	42,943	24,038	859	67,840
Telephone/communications	36,248	31,021	60	67,329
Utilities	194,001	49,933	254	244,188
Vehicle expenses	23,696	-	-	23,696
<b>Total Expenses Before Depreciation</b>	<b>7,454,590</b>	<b>1,410,882</b>	<b>193,056</b>	<b>9,058,528</b>
Depreciation	498,292	43,293	569	542,154
<b>Total functional expenses</b>	<b>\$ 7,952,882</b>	<b>\$ 1,454,175</b>	<b>\$ 193,625</b>	<b>\$ 9,600,682</b>

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

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2013

Cash Flows From Operating Activities:	
Change in net assets	\$ (54,175)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	542,154
Loss on disposal of fixed assets	1,580
Gain on beneficial interest	(12,062)
(Increase) Decrease In:	
Accounts receivable	51,068
Promises to give	(75,000)
Prepaid expenses	(22,364)
Other assets	(29,446)
Increase (Decrease) In:	
Accounts payable	(45,594)
Accrued and other liabilities	119,341
Deferred revenue	63,657
Other liabilities	33,694
Net Cash Provided by Operating Activities	<u>572,853</u>
Cash Flows From Investing Activities:	
Restricted deposits and funded reserves	76,421
Security deposits	(3,143)
Purchase of fixed assets	(817,241)
Net Cash Used by Investing Activities	<u>(743,963)</u>
Cash Flows From Financing Activities:	
Payments on line of credit	(2,131)
Payments on long term borrowings	(302,284)
Net change in due to/from related organizations	126,467
Net Cash Used by Financing Activities	<u>(177,948)</u>
Net Decrease	(349,058)
Cash and Cash Equivalents, Beginning of Year	<u>789,580</u>
Cash and Cash Equivalents, End of Year	<u>\$ 440,522</u>
Supplemental disclosures of cash flow information:	
Interest paid	<u>\$ 377,285</u>
Non-cash financing activities	<u>\$ 2,584,700</u>

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

HARBOR HOMES, INC.

Notes to the Financial Statements

1. **Organization:**

Harbor Homes, Inc. (the Organization) is a nonprofit organization that creates and provides quality residential and supportive services for persons (and their families) challenged by mental illness and/or homelessness in the State of New Hampshire. Programs include mainstream housing, permanent housing, transitional housing, and emergency shelter, as well as comprehensive support services that include peer support programs, job training, a paid employment program, and social and educational activities.

In addition to housing and supportive services, the Organization runs a health care clinic that is a Federally Qualified Health Center (FQHC) offering primary medical services to the homeless and/or low-income individuals.

2. **Summary of Significant Accounting Policies:**

The following is a summary of significant accounting policies of the Organization used in preparing and presenting the accompanying financial statements.

**Accounting for Contributions and Financial Statement Presentation**

The Organization follows *Accounting for Contributions Received and Contributions Made* and *Financial Statements of Not-for-Profit Organizations* as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services, meeting certain criteria at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities, a Statement of Functional Expenses, and a Statement of Cash Flows.

**Basis of Accounting**

Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

### Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Allowance for Doubtful Accounts

The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Organization's management and adjusted as required through the provision for doubtful accounts (bad debt expense). In determining the amount required in the allowance account for the year ended June 30, 2013, management has taken into account a variety of factors.

### Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. Major additions and improvements are capitalized, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Assets not in service are not depreciated.

### Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized in the accompanying statement of activities because the criteria

for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 amounts could differ from those estimates.

#### Tax Status

Harbor Homes, Inc. is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

The Organization's Federal Form 990 (Return of Organization Exempt From Income Tax) for fiscal years 2010, 2011, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2013, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

#### Subsequent Events

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2013 through December 9, 2013, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

**3. Concentration of Credit Risk - Cash and Cash Equivalents:**

The carrying amount of the Organization's deposits with financial institutions was \$440,522 at June 30, 2013. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2013. The bank balance is categorized as follows:

Insured by FDIC	\$	371,377
Insured by SIPC		61,724
Uninsured and uncollateralized		<u>353,196</u>
Total Bank Balance	\$	<u><u>786,297</u></u>

**4. Accounts Receivable:**

Accounts receivable at June 30, 2013 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
HUD I Program			
Residents	\$ <u>201</u>	\$ <u>-</u>	\$ <u>201</u>
Total	\$ <u><u>201</u></u>	\$ <u><u>-</u></u>	\$ <u><u>201</u></u>
HUD VI Program			
Residents	\$ <u>1,352</u>	\$ <u>-</u>	\$ <u>1,352</u>
Total	\$ <u><u>1,352</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,352</u></u>
Program Operations			
Residents	\$ 57,173	\$ (43,315)	\$ 13,858
Security deposits	3,597	-	3,597
Medicaid	33,506	-	33,506
Grants	487,474	-	487,474
Clinic	84,273	(19,863)	64,410
Other	<u>90,875</u>	<u>-</u>	<u>90,875</u>
Total	\$ <u><u>756,898</u></u>	\$ <u><u>(63,178)</u></u>	\$ <u><u>693,720</u></u>

**5. Due To/From Related Organizations:**

Due to/from related organizations represents amounts due to and from Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors. These balances exist because certain receipts and disbursements of the related organizations flow through the

Harbor Homes, Inc. main operating cash account. The related organizations and their balances at June 30, 2013 are as follows:

	<u>Due to</u>	<u>Due From</u>
Current:		
Healthy at Home	\$ 67,589	\$ -
Southern NH HIV/AIDS Task Force	8,932	-
Greater Nashua Council on Alcoholism	-	35,584
Milford Regional Counseling Services, Inc.	-	31,370
HH Ownership, Inc.	-	2,349
Harbor Homes III, Inc.	-	10,651
Subtotal current	<u>76,521</u>	<u>79,954</u>
Non-current:		
Healthy at Home	75,000	-
Harbor Homes II, Inc.	-	123,121
Welcoming Light, Inc.	-	104,471
Subtotal non-current	<u>75,000</u>	<u>227,592</u>
Total	<u>\$ 151,521</u>	<u>\$ 307,546</u>

Although management believes the above receivables to be collectible, there is significant risk that the non-current portion may not be.

**6. Prepaid Expenses:**

Prepaid expenses consist of the following items:

	<u>HUD I</u>	<u>HUD VI</u>	<u>Program</u>
	<u>Program</u>	<u>Program</u>	<u>Operations</u>
Prepaid insurance	\$ -	\$ -	\$ 18,962
Prepaid HRA	-	-	5,222
Prepaid other	-	-	3,019
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,203</u>

**7. Property, Equipment and Depreciation:**

A summary of the major components of property and equipment is presented below:

	<u>HUD I</u> <u>Program</u>	<u>HUD VI</u> <u>Program</u>	<u>Program</u> <u>Operations</u>
Land	\$ 49,484	\$ 54,750	\$ 1,686,356
Land improvements	10,490	-	-
Construction in progress	-	-	4,200,278
Buildings	253,233	257,402	11,981,678
Building improvements	89,762	1,500	1,044,981
Software	-	-	320,366
Vehicles	-	-	219,693
Furniture and fixtures	-	-	161,877
Equipment	18,695	-	163,297
Medical equipment	-	-	65,762
Subtotal	<u>421,664</u>	<u>313,652</u>	<u>19,844,288</u>
Less: accumulated depreciation	<u>(336,450)</u>	<u>(12,945)</u>	<u>(3,892,603)</u>
Total	<u>\$ 85,214</u>	<u>\$ 300,707</u>	<u>\$ 15,951,685</u>

Depreciation expense for the year ended June 30, 2013 totaled \$542,154.

The estimated useful lives of the depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 40
Software	3
Vehicles	3
Furniture and fixtures	5 - 7
Equipment	5 - 7

#### 8. **Restricted Deposits and Funded Reserves:**

Restricted deposits and funded reserves consist of escrow accounts and reserves which are held for various purposes. The following is a summary of the restricted accounts:

	<u>HUD I</u> <u>Program</u>	<u>HUD VI</u> <u>Program</u>	<u>Program</u> <u>Operations</u>
Security deposits	\$ 2,327	\$ 906	\$ 40,897
Reserve for replacements	36,615	13,912	87,732
Residual receipt deposits	<u>15,705</u>	<u>1,612</u>	<u>-</u>
Total	<u>\$ 54,647</u>	<u>\$ 16,430</u>	<u>\$ 128,629</u>

Security deposits held will be returned to tenants when they vacate. Reserve for replacement accounts are required by the Department of Housing and Urban Development (HUD) and the City of Nashua and are used for the replacement of property with prior approval. Residual receipt deposits are required by the Department of Housing and Urban Development and are to be used at the discretion of HUD.

**9. Beneficial Interest:**

The Organization has a beneficial interest in the Harbor Homes, Inc. Fund (the Fund), a component fund of the New Hampshire Charitable Foundation's (the Foundation) Nashua Region. The Organization will receive distributions from the Fund based on a spending allocation, which is a percentage of the assets set by the Foundation and reviewed annually. The current spending percentage is 4.5% of the market value (using a 20-quarter average) of the Fund. At June 30, 2013, the value of the fund was \$128,237.

**10. Accrued and Other Liabilities:**

Accrued and other liabilities include the following:

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Mortgage interest	\$ 1,361	\$ 1,416	\$ -
Payroll and related taxes	-	-	205,324
Compensated absences - vacation time	-	-	234,449
Compensated absences - personal time	-	-	24,263
Other	-	-	30,723
Total	<u>\$ 1,361</u>	<u>\$ 1,416</u>	<u>\$ 494,759</u>

**11. Line of Credit:**

At June 30, 2013, the Organization had a \$900,000 line of credit available from TD Bank, N. A., secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1.00%, adjusted daily. As of June 30, 2013 the credit line had an outstanding balance of \$807,868, at an interest rate of 4.25%.

In March 2012 the line of credit agreement was modified to require the Organization to reduce the line to a low point of \$500,000 for a minimum of thirty consecutive days during any period over the year. The Organization was in compliance with covenants during fiscal year 2013.

**12. Security Deposits:**

Security deposits are comprised of tenant security deposits and other miscellaneous deposits. Tenant security deposits are held in a separate bank account in the name of the Organization. These deposits will be returned to residents when they leave the facility. Interest will be returned to residents who have had over one year of continuous tenancy.

**13. Mortgages Payable, Tax Credits:**

Mortgages payable, tax credits consist of a mortgage payable to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organizations, maturing in 2020, secured by real property. This amount is amortized over 10 years at zero percent interest. The amount due at June 30, 2013 is \$163,453.

**14. Mortgages Payable:**

Mortgages payable as of June 30, 2013 consisted of the following:

A construction loan payable to Merrimack County Savings Bank, pending permanent conversion in December 2013. The total permanent loan of \$2,424,550 and will be due in monthly installments of \$7,768, including principal and interest of 7.05%, maturing in 2040, secured by real property. As of June 30, 2013, the amount available for further advancement is \$428,515.

\$ 1,996,035

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,768, including principal and interest at 7.05%, maturing in 2040, secured by real property.

1,124,898

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,391, including principal and interest at 6.75%, maturing in 2031, secured by real property.

767,873

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A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,126, including principal and interest at 6.97%, maturing in 2036, secured by real property.	704,012
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$3,996, including principal and interest at 4.75%, maturing in 2036, secured by real property.	673,732
A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 7.27%, maturing in 2025, secured by real property.	522,441
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,692, including principal and interest at 4.75%, maturing in 2040, secured by real property.	493,329
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,077, including principal and interest at 5.57% for the first five years, then adjusting in June 2015, 2020, 2025, and 2030 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 2.75%, maturing in 2035, secured by real property.	316,638
A mortgage payable to Mascoma Savings Bank, fsb., due in monthly installments of \$1,731, including principal and interest at 7.00% maturing in 2036, secured by real property.	238,806
A mortgage payable to the Department of Housing and Urban Development, due in monthly installments of \$2,385, including principal and interest at 9.25%, maturing in 2022, secured by real property.	176,441
	(continued)

(continued)

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,144, including principal and interest at a variable rate (5.61% at June 30, 2012), maturing in 2029, secured by real property.	141,600
A mortgage payable to Berkadia, due in monthly installments of \$3,640, including principal and interest at a variable rate (4.75% at June 30, 2012), maturing in 2016, secured by a program building and five scattered condominiums in Nashua, New Hampshire.	106,635
A mortgage payable to TD Bank, due in monthly installments of \$2,095, including principal and interest at 6.45%, maturing in 2018, secured by real property.	115,441
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property.	105,480
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,283, including principal and interest at 3.73%, maturing in 2035, secured by real property.	57,609
Total	<u>7,540,970</u>
Less amount due within one year	<u>(227,427)</u>
Mortgages payable, net of current portion	<u>\$ 7,313,543</u>

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2014	\$ 227,427
2015	249,975
2016	245,374
2017	233,501
2018	230,799
Thereafter	<u>6,353,894</u>
Total	\$ <u>7,540,970</u>

**15. Mortgages Payable, Deferred:**

The Organization has deferred mortgages outstanding at June 30, 2013 totaling \$5,242,834. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

Several of these loans are special financing from the New Hampshire Housing Finance Authority (NHHFA) to fund specific projects. These notes are interest free for thirty years with principal payments calculated annually at the discretion of the lender.

The following is a list of deferred mortgages payable at June 30, 2013:

	<u>Program Operations</u>
City of Manchester:	
Somerville Street property	\$ <u>300,000</u>
Total City of Manchester	300,000
City of Nashua:	
Factory Street property	580,000
Spring Street property	491,000
Charles Street property	98,087
High Street fire system	<u>65,000</u>
Total City of Nashua	1,234,087

(continued)

(continued)

	<u>Program Operations</u>
Federal Home Loan Bank (FHLB):	
Factory Street property	400,000
Somerville Street property	400,000
Spring Street property	<u>398,747</u>
Total FHLB	1,198,747
 NHHFA:	
Factory Street property	1,000,000
Spring Street property	550,000
Charles Street property	50,000
Somerville Street property	<u>910,000</u>
Total NHHFA	<u>2,510,000</u>
Total Mortgages Payable, Deferred	<u>\$ 5,242,834</u>

**16. Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes at June 30, 2013:

<u>Purpose</u>	<u>Amount</u>
Dalianis bricks	\$ 735
Dental funds	85
Emergency Shelter	10,000
HVRP	4,323
Medical equipment	11,573
Operation brightside	2,000
Somerville construction/equipment/furniture	188,762
Veterans computers	<u>5,630</u>
Total	<u>\$ 223,108</u>

**17. Transactions with Related Parties:**

The Organization's clients perform janitorial services for Harbor Homes HUD I, II and III, Inc., Welcoming Light, Inc., Milford Regional Counseling Services, Inc., Healthy at Home, Inc., Greater Nashua Council on Alcoholism, and Southern NH HIV/AIDS Task Force, related organizations. These services are billed to the related organizations and reported as revenues in the accompanying financial statements.

The Organization currently has several contracts with Healthy at Home, Inc. to receive various skilled nursing services, CNA services and companion services for its clients. All of the contracts are based on per diem fees ranging from \$16 per hour for companion services, to \$100 per visit for skilled nursing services.

The Organization is a corporate guarantor for Greater Nashua Council on Alcoholism in relation to two mortgages on their Amherst Street property. The guaranties consist of one mortgage in the amount of \$1,867,590 and another mortgage in the amount of \$300,000.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$24,816 and \$60,000, respectively, for fiscal year 2013.

The Organization is considered a commonly controlled organization with several related entities by way of its common board of directors. However, management feels that the principal prerequisites for preparing combined financial statements are not met, and therefore more meaningful separate statements have been prepared.

Following are the commonly controlled organizations:

- Harbor Homes II, Inc.
- Harbor Homes III, Inc.
- HH Ownership, Inc.
- Welcoming Light, Inc.
- Milford Regional Counseling Services, Inc.
- Healthy at Home, Inc.
- Greater Nashua Council on Alcoholism
- Southern NH HIV/AIDS Task Force

**18. Leases:**

**Operating leases**

The Organization has entered into several operating leases for vehicles and equipment which expire at various times. Total lease expense for the current year was approximately \$9,000.

Future minimum lease payments for vehicles and equipment are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 7,320
2015	6,090
2016	<u>2,200</u>
Total	<u>\$ 15,610</u>

**19. Employee Benefit Plan:**

After one year of continuous service with the Organization, employees may contribute a portion of their wages to a Section 403(b) retirement plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2013 were \$90,014.

In addition to the retirement plan noted above, the Organization also has a Section 457 deferred compensation plan with a value of \$29,446 at June 30, 2013.

**20. Concentration of Risk:**

The Organization receives 27% and 19% of its revenue from the Department of Housing and Urban Development and the Department of Veterans Affairs, respectively.

**21. Fair Value Measurements:**

FASB ASC, *Fair Value Measurements*, provides guidance for using fair value to measure assets and liabilities. *Fair Value Measurements* applies whenever other standards require or permit assets or liabilities to be measured at their fair market value. The standard does not expand the use of fair value in any new circumstances. Under *Fair Value Measurements*, fair value refers to the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurements* clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

Under *Fair Value Measurements*, the Organization categorizes its fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. Classification is based on the lowest level of input that is significant to the fair value of the instrument. The three levels are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and
- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

The estimated fair value of the Organization's financial instruments is presented in the following table:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Due from related organizations	\$ 307,546	\$ 307,546	\$ -	\$ -	\$ 307,546
Beneficial interest	128,237	128,237	-	-	128,237
Total assets	<u>\$ 435,783</u>	<u>\$ 435,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 435,783</u>
Due to related organizations	\$ 151,521	\$ 151,521	\$ -	\$ -	\$ 151,521
Line of credit	807,868	807,868	-	807,868	-
Mortgages payable, tax credits	163,453	163,453	-	-	163,453
Mortgages payable	7,540,970	7,540,970	-	7,540,970	-
Mortgages payable, deferred	5,242,834	5,242,834	-	5,242,834	-
Total liabilities	<u>\$ 13,906,646</u>	<u>\$ 13,906,646</u>	<u>\$ -</u>	<u>\$ 13,591,672</u>	<u>\$ 314,974</u>

Fair Value Measurements  
Using Significant Unobservable Inputs  
Level 3

	Beneficial Interest	Due from related organizations	Due to related organizations	Mortgages Payable, Tax Credits
Beginning balance June 30, 2012	\$ 116,175	\$ 456,199	\$ 173,707	\$ 184,497
Advances	12,062	-	-	-
Reductions	-	(148,653)	(22,186)	(21,044)
Transfers in to Level 3	-	-	-	-
Ending balance June 30, 2013	<u>\$ 128,237</u>	<u>\$ 307,546</u>	<u>\$ 151,521</u>	<u>\$ 163,453</u>

Due to the short term nature of the financial instruments, the book value approximates fair value.

**22. Healthcare Clinic:**

Patient service revenue is recorded as services provided. The Healthcare Clinic (The Clinic) establishes fees for services to patients based on a sliding fee scale. Contractual allowances are recorded based on patients served in the period the related services are rendered.

The Clinic has a policy of providing free care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patients prior to the services being rendered. The approximate amount of free care services provided was \$423,000 for the year ended June 30, 2013. The Clinic billed a third-party payer approximately \$212,000 during the fiscal year.

Patient accounts receivable are recorded less allowances for doubtful accounts and net of contractual allowances. The Clinic provides for losses on patient accounts receivable using the allowance method. Receivables are considered impaired if full payments are not expected in accordance with contractual terms. The net balance as of June 30, 2013 was \$29,000.

**23. Subsequent Event:**

On September 19, 2013, the property located at 78-82 Main Street sold. The gain on the sale was \$527,000 and some of the proceeds, in the amount of \$307,000 were used to pay down the line of credit. On September 23, 2013, an additional \$100,000 was used to pay down the line of credit, resulting in an outstanding balance of \$400,000.

The building located at 78-82 Main Street was the main collateral used to secure the line of credit and the sale resulted in a reduction of the available

balance. The line of credit was subsequently reduced from \$900,000 to \$500,000.

HARBOR HOMES, INC.  
Schedule of Activities by Cost Center  
For the Year Ended June 30, 2013

	Non BBH		Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing	Administration	Fundraising	Total
	Healthcare Clinic	Other							
<b>Public Support and Revenue:</b>									
Public Support:									
Federal grants	\$ 481,013	\$ 1,214,018	\$ 500	\$ 500	\$ 71,877	\$ -	\$ 21,043	\$ -	\$ 1,768,749
State, local, and other grants	96,276	652,920	-	-	88,534	-	-	-	815,730
Donations	11,626	387,587	-	-	10,310	-	61,393	284	451,200
Donations in-kind	-	61,023	-	-	-	-	-	-	61,023
<b>Total Public Support</b>	<b>588,915</b>	<b>2,295,546</b>	<b>500</b>	<b>500</b>	<b>148,521</b>	<b>-</b>	<b>82,436</b>	<b>284</b>	<b>3,096,702</b>
<b>Revenue:</b>									
Department of Housing and Urban Development	-	2,292,411	-	-	-	187,463	80,512	-	2,560,386
Veterans Administrative grants	-	1,777,023	-	-	-	-	75,000	-	1,852,023
Medicaid - Federal and State	70,738	-	360,488	334,611	-	-	-	-	765,847
Rent and service charges, net	-	491,164	-	-	2,608	18,555	-	-	512,327
Contracted services	-	357,845	-	-	-	24,816	68,400	-	357,845
Outside rent	-	72,000	-	-	-	-	2,707	-	165,216
Miscellaneous	91,234	3,036	-	-	-	-	-	-	96,977
Employment projects	-	63,792	-	-	-	-	-	-	63,792
Food and common area fees	-	-	32,400	29,243	-	-	-	-	61,643
Management fees	25,818	-	-	-	-	-	34,425	-	34,425
Medicare revenue	-	-	-	-	-	-	12,269	-	25,818
Unrealized gain/(loss)	-	57	-	-	-	-	280	-	12,269
Interest	-	(1,580)	-	-	-	-	-	-	337
Loss on disposal of fixed assets	(23,456)	-	-	-	-	-	-	-	(1,580)
Sliding fee and fee care	(28,892)	(3,632)	-	(102)	(438)	-	-	-	(23,456)
Bad debts	-	-	-	-	-	-	-	-	(34,064)
<b>Total Revenue</b>	<b>134,442</b>	<b>5,052,116</b>	<b>392,898</b>	<b>363,752</b>	<b>2,170</b>	<b>230,834</b>	<b>273,593</b>	<b>-</b>	<b>6,448,805</b>
<b>Total Public Support and Revenue</b>	<b>703,357</b>	<b>7,347,662</b>	<b>393,396</b>	<b>364,252</b>	<b>150,691</b>	<b>230,834</b>	<b>356,028</b>	<b>284</b>	<b>9,546,507</b>
Expenses before depreciation	878,163	5,729,064	221,811	233,518	124,645	267,389	1,410,882	193,056	9,058,528
Change in net assets before depreciation	(174,806)	1,618,598	171,587	130,734	26,046	(36,555)	(1,054,853)	(192,772)	487,979
Depreciation	47,039	421,922	127	-	3,913	25,291	43,283	569	542,154
Change in net assets	(221,845)	1,196,676	171,460	130,734	22,133	(61,846)	(1,098,146)	(193,341)	(54,175)

See Independent Auditors' Report.

HARBOR HOMES, INC.

Schedule of Expenses

For the Year Ended June 30, 2013

Expenses:	Non BBH		Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	Administration	Fundraising	Total
	Healthcare Clinic	Other							
Accounting fees	18,933	-	-	-	-	-	45,200	-	45,200
Advertising and printing	-	8,620	-	-	-	-	657	-	29,210
Client services and assistance	-	28,215	-	-	180	-	-	-	28,395
Client transportation	-	10,212	-	-	-	-	-	-	10,212
Conference and conventions	12,771	24,303	-	50	-	-	180	-	37,314
Contract labor	55,430	97,376	373	2,108	-	-	16,325	-	171,812
Dues and subscriptions	3,608	46	-	-	-	-	3,695	-	7,347
Employee benefits	77,617	308,104	21,148	32,185	7,877	22,146	183,542	24,441	695,060
Enabling services	139	-	-	-	-	-	-	-	139
Equipment rental	-	1,181	-	-	-	215	7,644	-	9,040
Food	40	18,405	16,373	13,138	1,417	-	102	-	50,475
Fundraising expenses	-	-	-	-	-	-	-	4,843	4,843
Garbage and trash removal	855	8,909	-	-	-	2,618	7,271	62	19,795
Grants	150	224,483	-	-	660	-	-	-	225,293
Information technology	18,140	102,115	101	101	677	4,843	25,923	3	151,903
Interest expense - mortgage	6,823	286,968	-	-	7,870	6,132	20,500	368	328,661
Interest expense - other	-	-	-	-	-	-	37,772	-	37,772
Journals and publications	499	383	-	188	-	-	75	-	1,153
Legal fees	1,150	43,903	-	-	-	2,051	20,051	-	67,155
Management fees	-	-	-	-	-	-	11,169	-	11,169
Medical and clothing	-	68,805	-	-	-	-	-	-	68,805
Office supplies	3,595	21,888	384	159	112	5,708	10,486	335	42,667
Operating and maintenance	8,872	66,921	-	1,007	3,502	22,854	31,281	169	134,706
Operational supplies	10,545	31,980	2,802	2,785	4,110	2,623	7,974	71	62,890
Other expenditures	408	4,564	-	-	287	-	23,746	110	29,093
Payroll taxes	48,055	177,731	17,636	16,791	5,180	10,618	63,085	13,519	353,615
Postage/shipping	1,002	1,922	46	45	-	399	4,492	497	8,405
Professional fees	27,218	88,914	-	-	-	-	4,797	-	120,929
Property and liability insurance	23,980	70,231	1,273	1,103	1,407	3,247	16,578	290	117,709
Property taxes	-	14,198	-	-	-	-	-	-	14,198
Rent expense	-	1,934,273	-	-	17,433	39,424	-	-	1,991,130
Salary and wages	537,522	1,738,706	160,586	160,813	51,675	121,618	746,870	146,992	3,665,782
Security deposits	-	28,779	-	-	9,284	-	-	-	38,063
Snow removal	541	26,709	-	-	-	4,630	8,493	56	40,629
Staff development	55	8,926	80	80	-	-	367	25	9,533
Staff expense	3,214	13,872	500	215	117	148	7,405	102	25,573
Staff transportation	4,980	36,477	198	101	339	339	24,038	859	67,840
Telephone/communications	5,063	24,986	311	1,142	1,957	2,789	31,021	60	67,329
Utilities	6,362	163,386	-	-	9,990	14,283	49,933	254	244,188
Vehicle expenses	-	21,773	-	1,499	-	424	-	-	23,696
Total Expenses Before Depreciation	878,163	5,728,064	221,611	233,518	124,645	267,389	1,410,882	193,056	9,058,528
Depreciation	47,039	421,922	127	-	3,913	25,281	43,293	569	542,154
Total Expenses	\$ 925,202	\$ 6,150,986	\$ 221,938	\$ 233,518	\$ 128,558	\$ 292,670	\$ 1,454,175	\$ 193,625	\$ 9,600,682

See Independent Auditors' Report.

**HARBOR HOMES, INC. AND AFFILIATES BOARD OF DIRECTORS**

(Harbor Homes, Inc., HH Ownership, Inc., Welcoming Light, Inc., Healthy At Home, Inc., Milford Regional Counseling Services, Inc. Greater Nashua Council on Alcoholism, Inc., Southern NH HIV Task Force)

David Aponovich - [REDACTED]

**Treasurer**  
(Chair, Finance Committee)  
(Facilities Committee)  
(Executive Committee)

(2<sup>nd</sup> term +)

Alphonse Haettenschwiler - (6/15) (Finance Committee)  
(HCC Oversight Committee, Ch

Vincent Chamberlain - (6/15)

**Vice Chair**  
(Chair Resource/Development/  
Planning Committee)  
(HCC Oversight Committee)

Robert Kelliher - [REDACTED] (Chair, Facilities Committee)  
(Governance Committee)

Pastor Geoff DeFranca - [REDACTED]  
Community Chapel

(Resource/Development/  
Planning Committee)

Lynn King - [REDACTED] (Resource/Development/  
Planning Committee)  
(Chair, Governance Committee)

Laurie Des Rochers - (6-15)

(Facilities Committee)  
(Resource/Development/  
Planning Committee)

Captain James Lima - (6/15) (Governance Committee)  
(Facilities Committee)

Robert Fischer - [REDACTED]

**Chair of the Board**  
(Resource/Development/  
Planning Committee)  
(HCC Oversight Committee)

Naomi Moody - [REDACTED] (Committee Assignment-Pending)

Laurie Goguen - [REDACTED]

**Secretary**  
(Governance Committee)  
(HCC Oversight Committee)  
(Executive Committee)

Dan Sallet - [REDACTED] (Finance Committee)

Nathan Goodwin - [REDACTED]

Trent Smith - [REDACTED] (Chair, Executive Committee)

**PETER J. KELLEHER, CCSW, LICSW**

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Nashua, NH 03060

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Fax: (603) 595-7414

E-mail: p.kelleher@nhpartnership.org

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**PROFESSIONAL EXPERIENCE**

- 2006-Present **President & CEO, Southern NH HIV Task Force**
- 2002-Present **President & CEO, GNCA, Inc. Nashua, NH**
- 1997-Present **President & CEO, Healthy At Home, Inc., Nashua, NH**
- 1995-Present **President & CEO, Milford Regional Counseling Services, Inc., Milford, NH**
- 1995-Present **President & CEO, Welcoming Light, Inc., Nashua, NH**
- 1982-Present **President & CEO, Harbor Homes, Inc., Nashua, NH**  
Currently employed as chief executive officer of six nonprofit corporations (Partnership for Successful Living) creating and providing residential and supportive services, mental health care, primary/preventive health care, substance use disorder treatment and prevention services, supported employment and workforce development, professional training, and in-home health care to individuals and families who are homeless, living with disabilities, and/or are underserved/members of vulnerable populations. Responsible for initiation, development, and oversight of more than 50 programs comprising a \$13,000,000 operating budget; proposal development resulting in more than \$6,000,000 in grants annually; oversight of 250+ management and direct care professionals.
- 2003-2006 **Consultant**  
Providing consultation and technical assistance throughout the State to aid service and mental health organizations
- 1980 - 1982 **Real Estate Broker, LeVaux Realty, Cambridge, MA**  
Successful sales and property management specialist.
- 1979 - 1980 **Clinical Coordinator, Task Oriented Communities, Waltham, MA**  
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.
- 1978 - 1979 **Faculty, Middlesex Community College, Bedford, MA**  
Instructor for an introductory group psychotherapy course offered through the Social Work Department.
- 1977 - 1979 **Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA**  
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.
- 1976 **Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA**  
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.
- 1971 - 1976 **Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA**  
Major responsibilities consisted of psycho educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

## EDUCATIONAL EXPERIENCE

- 1975 - 1977 Simmons College School of Social Work, Boston, MA  
Cambridge-Somerville Community Mental Health Program, MSW
- 1971 - 1975 Clark University, Worcester, MA. Received Bachelor of Arts Degree in Psychology

## LICENSES AND CERTIFICATIONS

- 1979 Licensed Real Estate Broker – Massachusetts
- 1989 Academy of Certified Social Workers – NASW
- 1990 Licensed Independent Clinical Social Worker - Massachusetts
- 1994 State of New Hampshire Certified Clinical Social Worker, MA LICSW

## PLACEMENTS

- 1976 - 1977 Cambridge Hospital, In-Patient Psychiatry, Cambridge, MA  
Individual, group, and family counseling to hospitalized patients.
- 1975 - 1976 Massachusetts Institute of Technology, Social Service Department, Cambridge, MA  
Similar to above.

## FIELD SUPERVISION

- 1983 - 1984 Antioch/New England Graduate School, Department of Professional Psychology, Keene, NH
- 1983 - 1984 Rivier College, Department of Psychology, Nashua, NH
- 1990 - 1991 Rivier College, Department of Psychology, Nashua, NH
- 1978 - 1979 Middlesex Community College, Social Work Associates Program, Bedford, MA

## AWARDS

- High School Valedictorian Award
- National Institute of Mental Health Traineeship in Social Work
- University of New Hampshire Community Development 2003 Community Leader of the Year
- NAMI NH 2007 Annual Award for Systems Change
- Peter Medoff AIDS Housing Award 2007
- The Walter J. Dunfey Corporate Fund Award for Excellence in Non Profit Management 2009
- Business Excellence Award 2010

## MEMBERSHIPS

- Former Chair, Governor's State Interagency Council on Homelessness/New Hampshire Policy Academy
- Former Chair, Greater Nashua Continuum of Care
- National Association of Social Workers
- Board Member, Greater Nashua Housing & Development Foundation, Inc.
- Board Member, New Futures, Concord, NH
- Former Member, Rotary Club, Nashua, NH

**HARBOR HOMES, INC.**  
**February 18, 2015**

**SALARIES OF KEY ADMINISTRATIVE PERSONNEL**

<b>Name</b>	<b>Job Title</b>	<b>Salary</b>	<b>% Paid From This Grant</b>
Peter Kelleher	President & CEO	\$ 115,856	0%
Carol Furlong	Vice President, Operations	\$ 93,496	0%
Ana Pancine	Financial Specialist	\$ 60,000	0%