



**STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY**

Nicholas A. Toumpas
Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
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Kathleen A. Dunn
Associate Commissioner
Medicaid Director

May 4, 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 Community Based Care Services, Bureau of Behavioral Health to amend an existing agreement with Harbor Homes, Inc. (Vendor #155358), 45 High Street, Nashua, NH 03060, by adding units to the Housing Bridge Subsidy Program, which provides housing services and subsidies for rent for persons with severe mental illness who are at risk of becoming homeless, and by increasing the price limitation by \$90,833 from \$9,948,020 in an amount not to exceed \$10,038,853, with no change to the contract end date of June 30, 2017. The Governor and Executive Council approved the original agreement on October 29, 2014 (Item #16). 100% General Funds.

Funds to support this request are available in the following account in State Fiscal Year 2015, and anticipated to be available in State Fiscal Year 2016 and State Fiscal Year 2017, upon availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office without Governor and Executive Council approval, if needed and justified.

05-95-092-920010-59450000-102-500731-92205945 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

Fiscal Year	Class/ Object	Class Title	Activity Code	Current Budget	Increase / Decrease	Modified Budget
2015	102-500731	Contracts for Program Services	92205945	\$2,123,200	\$90,833	\$2,214,033
2016	102-500731	Contracts for Program Services	92205945	\$3,612,660	(\$1,689,500)	\$1,923,160
2017	102-500731	Contracts for Program Services	92205945	\$4,212,160	(\$2,289,000)	\$1,923,160
			Sub-Total:	\$9,948,020	(\$3,887,667)	\$6,060,353

05-95-092-920010-59450000-103-502664-92204000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

Fiscal Year	Class/ Object	Class Title	Activity Code	Current Budget	Increase / Decrease	Modified Budget
2015	103-502664	Contracts for Operational Services	92204000	\$0	\$0	\$0
2016	103-502664	Contracts for Operational Services	92204000	\$0	\$1,689,500	\$1,689,500
2017	103-502664	Contracts for Operational Services	92204000	\$0	\$2,289,000	\$2,289,000
			Sub-Total:	\$0	\$3,978,500	\$3,978,500
			Grand Total	\$9,948,020	\$90,833	\$10,038,853

Explanation

The purpose of this amendment is to provide an additional fifty (50) units to the Housing Bridge Subsidy Program which is administered by Harbor Homes, Inc. The Housing Bridge Subsidy Program provides housing services and subsidies or rent for persons with severe mental illness (SMI) who are at risk of becoming homeless. Over eighty-nine percent (89%) of this funding will provide direct housing services and rent subsidies to individuals with severe mental illness who are at risk of becoming homeless, the remaining portion will pay for the administration of the program.

The program was expanded in the State Fiscal Year 2015 budget for the "10 year plan". In addition, the Community Mental Health Agreement (Amanda D. Settlement) calls for increased supportive housing opportunities for individuals by increasing capacity to 450 units by the January 2016. This contract will allow the State to fulfill the requirement and meet other terms of the Agreement, which read, in part:

- (b) *all new supported housing created pursuant to this Settlement Agreement will be scattered-site supported housing, with no more than two units or 10 percent of the units in a multi-unit building with 10 or more units, whichever is greater, and no more than two units in any building with fewer than 10 units known by the State to be occupied by individuals in the Target Population;*
- (c) *all new support housing created pursuant to this Settlement Agreement will be single occupancy or single family housing unless the individual prefers to live with a roommate; if the individual chooses to live with a roommate, there will be a private bedroom for each person; the individual will be able to select his or her roommate.*

The Housing Bridge Subsidy Program is a highly successful program. To date, the program has provided housing subsidies and supported three hundred and fifteen (315) consumers across the State of New Hampshire. Early outcome assessments of those participating in the program reflected a reduction in the use of New Hampshire Hospital bed days of 82%.

The Bureau of Behavioral Health (BBH), in collaboration with New Hampshire Housing Finance Authority (NHHFA), established a cooperative agreement. The cooperative agreement establishes consumers with a severe mental illness who have been admitted to New Hampshire Hospital as a new priority population to gain access to Section 8/Housing Choice Vouchers.

Housing Bridge Subsidy Program provides tenant based rental assistance until a Section 8 voucher becomes available for the individual. As the program is modeled after the Section 8 program, participants are also responsible for paying 30% of their income towards their rent and the Bureau of Behavioral Health funds up to \$689 per month to provide sufficient funding for safe affordable housing. The rental subsidy is not contingent upon a consumer accepting community mental health services.

The contractor shall work collaboratively with the Bureau of Behavioral Health on a variety of initiatives designed to sustain a high quality system of services and supports for people with mental illness including continuous quality improvement activities, safeguarding the rights of people involved in services, and provision of ongoing staff training.


The original contract was competitively bid. The Department of Health and Human Services published a Request for Proposals on July 11, 2014, two proposals were received. The proposals were evaluated by a team of Department of Health and Human Services' employees with knowledge of the Housing Bridge Subsidy program requirements. The team also included members with significant business and management expertise. Harbor Homes, Inc. was awarded the contract.

Should Governor and Executive Council determine not to approve this request, individuals with severe mental illness who are homeless and ready for discharge from an institution, or who are graduating or timing out of transitional housing would either remain in their current and more costly environments without being able to return to the community of their choice; remain homeless; or become homeless. People who are without housing and resources will resort to seeking local shelter in places not fit for habitation, or will attempt to travel to shelters in other communities. This will increase the likelihood that homeless people will be in danger of injury or death, and will be cut off from basic supports for health, education and treatment.

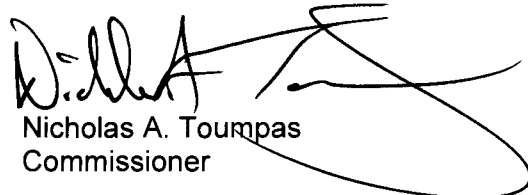
Area served: Statewide

Source of funds: 100% General Funds

Respectfully submitted,


Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

Approved by:


Nicholas A. Toumpas
Commissioner



**Amendment #1 to the Harbor Homes Inc. Contract for
Housing Bridge Subsidy Program**

**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the Housing Bridge Subsidy Program Contract**

This first Amendment to the Housing Bridge Subsidy Program contract (hereinafter referred to as "Amendment #1") dated this 20th day of April, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Harbor Homes, Inc. (hereinafter referred to as "the Contractor"), a nonprofit corporation with a place of business at 45 High Street, Nashua, New Hampshire 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on October 29, 2014 (Item #16), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18 this agreement may be amended only by an instrument in writing signed by the parties hereto and only after approval of such amendment by the Governor and Executive Council of the State of New Hampshire;

WHEREAS the State and the Contractor have agreed to amend Exhibit A, Scope of Services to include 50 additional units and increase the price limitation of the contract;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

To amend as follows:

1. Form P-37, General Provisions, Item 1.8 Price Limitation, to read:
\$10,038,853
2. Replace Exhibit A, Scope of Services, Section 2, Scope of Work, paragraph 2.4, with:
The Contractor shall ensure sufficient staffing to provide housing placement and support services to a minimum of six hundred and fifty (650) consumers. The Contractor shall ensure:
3. Replace Exhibit A, Scope of Services, Section 4. Requirements of Delivery, paragraph 4.1 with:
 - 4.1 The Contractor shall provide HBSP services to the 240 consumers currently in the program and increase housing assistance to additional consumers as indicated in the table, below:

Number of Additional Units	Period During which Housing Units Must be Filled
50	July 1, 2014 – December 31, 2014
100	January 1, 2015 – June 30, 2015
110	July 1, 2015 – June 30, 2016
150	July 1, 2016 – June 30, 2017

4. Replace Exhibit B-1, Budget Period October 1, 2014 – June 30, 2015 with:
Exhibit B-1 – Amendment #1, Budget Period October 1, 2014 – June 30, 2015.

**Amendment #1 to the Harbor Homes Inc. Contract for
Housing Bridge Subsidy Program**



5. Replace Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance with:

Exhibit G, Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections.

Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth herein.



Amendment #1 to the Harbor Homes Inc. Contract for Housing Bridge Subsidy Program

This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

5/4/15
Date

Kathleen A. Dunn
Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

4/22/15
Date

Harbor Homes, Inc.
Peter Kelleher
Name/Title Peter Kelleher, President & CEO

Acknowledgement:

State of NH, County of Hillsborough on 4/22/15, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Wendy Nichols
Name and Title of Notary or Justice of the Peace



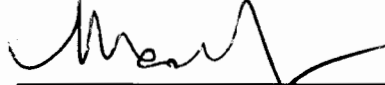
**Amendment #1 to the Harbor Homes Inc. Contract for
Housing Bridge Subsidy Program**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

Date 5/15/15


Name: Megan A. J. O'Connell
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____

Exhibit B-1 - Amendment #1 Budget Period October 1, 2014 - June 30, 2015

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Bidder/Program Name: Harbor Homes Inc.
Budget Request for: Housing Bridge Subsidy Program for Consumers with Severe Mental Illness

Budget Period: October 1, 2014 - June 30, 2015

1. Total Salary/Wages	\$ 158,400.00	\$ 19,008.00	\$ 177,408.00	\$ -	\$ -	\$ -	\$ 158,400.00	\$ 19,008.00	\$ 177,408.00
2. Employee Benefits	\$ 44,352.00	\$ 5,322.00	\$ 49,674.00	\$ -	\$ -	\$ -	\$ 44,352.00	\$ 5,322.00	\$ 49,674.00
3. Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ 8,000.00	\$ 960.00	\$ 8,960.00	\$ -	\$ -	\$ -	\$ 8,000.00	\$ 960.00	\$ 8,960.00
5. Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 3,600.00	\$ 432.00	\$ 4,032.00	\$ -	\$ -	\$ -	\$ 3,600.00	\$ 432.00	\$ 4,032.00
6. Travel	\$ 35,000.00	\$ 4,200.00	\$ 39,200.00	\$ -	\$ -	\$ -	\$ 35,000.00	\$ 4,200.00	\$ 39,200.00
7. Occupancy	\$ 1,716,233.00	\$ 205,800.00	\$ 1,922,033.00	\$ -	\$ -	\$ -	\$ 1,716,233.00	\$ 205,800.00	\$ 1,922,033.00
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone	\$ 4,320.00	\$ 518.00	\$ 4,838.00	\$ -	\$ -	\$ -	\$ 4,320.00	\$ 518.00	\$ 4,838.00
Postage	\$ 748.00	\$ 90.00	\$ 838.00	\$ -	\$ -	\$ -	\$ 748.00	\$ 90.00	\$ 838.00
Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 6,336.00	\$ 714.00	\$ 7,050.00	\$ -	\$ -	\$ -	\$ 6,336.00	\$ 714.00	\$ 7,050.00
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9. Marketing/Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Staff Education and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12. Other (specific details mandatory):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 1,976,989.00	\$ 237,044.00	\$ 2,214,033.00	\$ -	\$ -	\$ -	\$ 1,976,989.00	\$ 237,044.00	\$ 2,214,033.00

Indirect As A Percent of Direct 12.0%



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND
WHISTLEBLOWER PROTECTIONS**

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:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

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

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.

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations
and Whistleblower protections

Contractor Initials

PK

Date

4/22/15

New Hampshire Department of Health and Human Services
Exhibit G



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

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

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

4/22/15
Date

Contractor Name: Harbor Homes Inc.

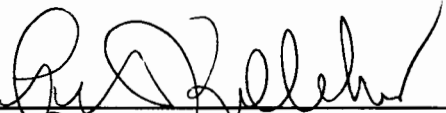

Name: Peter Kelleher
Title: President & CEO

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

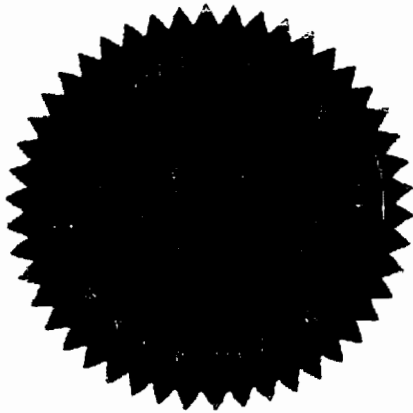
Contractor Initials PK

Date 4/22/15

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 9th day of April, A.D. 2015

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

1. 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 4/22/15:
(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 22nd day of April, 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
(Signature of the Elected Officer)

STATE OF New Hampshire

County of Hillsborough

The forgoing instrument was acknowledged before me this 22nd day of April, 2015.

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

Wendy Nichols
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6/4/19



Web-Library

An Internal Employee Resource Center



Home

Harbor Homes, Inc.

Mission Statement

To create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

Overview

- **A private, nonprofit agency, Harbor Homes is a beacon for people challenged by mental illness and/or homelessness or chronic homelessness.**
- **Built upon a core belief that individuality, dignity, self-respect and a safe place to live are key to a person's ability to contribute to society. [more](#)**

Harbor Homes, Inc

5 Year Goals and Objectives

[Back to Mission Statement and Overviews](#)

HARBOR HOMES, INC.

Financial Statements

For the Year Ended June 30, 2014

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

Additional Offices:
Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

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, 2014, 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, 2014, 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.

Report on Summarized Comparative Information

We have previously audited Harbor Homes, Inc.'s fiscal year 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is 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 January 15, 2015 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

January 15, 2015

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2014

(With Comparative Totals as of June 30, 2013)

	HUD I Program	HUD VI Program	Program Operations	2014 Total	2013 Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 694	\$ 877	\$ 168,823	\$ 170,394	\$ 440,522
Accounts receivable, net	45	4,966	1,432,974	1,437,985	695,273
Promises to give	-	-	50,000	50,000	50,000
Due from HUD Programs	-	-	3,300	3,300	6,177
Due from related organizations	-	-	24,522	24,522	79,954
Prepaid expenses	-	-	28,575	28,575	27,203
Total Current Assets	<u>739</u>	<u>5,843</u>	<u>1,708,194</u>	<u>1,714,776</u>	<u>1,299,129</u>
Property and Equipment, net of accumulated depreciation	81,352	292,027	19,625,628	19,999,007	16,337,606
Noncurrent Assets:					
Restricted deposits and funded reserves	48,169	30,633	241,489	320,291	199,706
Due from HUD Programs	-	-	68,484	68,484	33,292
Due from related organizations	-	-	352,502	352,502	227,592
Promises to give	-	-	-	-	50,000
Beneficial interest	-	-	148,204	148,204	128,237
Other assets	-	-	40,936	40,936	29,446
Total Noncurrent Assets	<u>48,169</u>	<u>30,633</u>	<u>851,615</u>	<u>930,417</u>	<u>668,273</u>
Total Assets	<u>\$ 130,260</u>	<u>\$ 328,503</u>	<u>\$ 22,185,437</u>	<u>\$ 22,644,200</u>	<u>\$ 18,305,008</u>
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	\$ 1,034	\$ 1,391	\$ 597,624	\$ 600,049	\$ 244,718
Accrued expenses	1,678	1,348	701,650	704,676	497,536
Due to program operations	3,300	-	-	3,300	6,177
Due to related organizations	-	-	160,868	160,868	76,521
Other liabilities	-	-	-	-	4,248
Line of credit	-	-	400,868	400,868	807,868
Deferred revenue	-	-	2,333	2,333	63,657
Current portion of mortgages payable	14,070	4,521	180,210	198,801	227,427
Total Current Liabilities	<u>20,082</u>	<u>7,260</u>	<u>2,043,553</u>	<u>2,070,895</u>	<u>1,928,152</u>
Long Term Liabilities:					
Due to program operations	-	68,484	-	68,484	33,292
Due to related organizations	-	-	-	-	75,000
Security deposits	2,329	565	38,635	41,529	37,422
Other liabilities	-	-	54,719	54,719	29,446
Mortgages payable, tax credits	-	-	142,410	142,410	163,453
Mortgages payable, net of current portion	149,527	230,092	7,004,209	7,383,828	7,313,543
Mortgages payable, deferred	-	-	5,332,834	5,332,834	5,242,834
Total Long Term Liabilities	<u>151,856</u>	<u>299,141</u>	<u>12,572,807</u>	<u>13,023,804</u>	<u>12,894,990</u>
Total Liabilities	171,938	306,401	14,616,360	15,094,699	14,823,142
Unrestricted Net Assets (Deficit):					
HUD programs	(41,678)	22,102	-	(19,576)	(3,864)
Program operations	-	-	7,519,535	7,519,535	3,262,622
Temporarily Restricted Net Assets	-	-	49,542	49,542	223,108
Total Net Assets (Deficit)	<u>(41,678)</u>	<u>22,102</u>	<u>7,569,077</u>	<u>7,549,501</u>	<u>3,481,866</u>
Total Liabilities and Net Assets	<u>\$ 130,260</u>	<u>\$ 328,503</u>	<u>\$ 22,185,437</u>	<u>\$ 22,644,200</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, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	Unrestricted Net Assets			Temporarily Restricted Net Assets	2014 Total	2013 Total
	HUD I Program	HUD VI Program	Program Operations			
<u>Public Support and Revenue:</u>						
<u>Public Support:</u>						
Federal grants	\$ -	\$ -	\$ 6,117,734	\$ -	\$ 6,117,734	\$ 1,810,283
State, local, and other grants	-	-	1,718,713	-	1,718,713	774,196
Donations	-	-	225,211	47,851	273,062	512,423
Net assets released from restriction	-	-	221,417	(221,417)	-	-
Total Public Support	-	-	8,283,075	(173,566)	8,109,509	3,096,902
<u>Revenue:</u>						
Department of Housing and Urban Development	77,507	41,324	2,662,795	-	2,781,626	2,564,634
Veterans Administrative grants	-	-	2,226,141	-	2,226,141	1,852,023
Medicaid - Federal and State, net	-	-	917,578	-	917,578	765,847
Rent and service charges, net	30,973	19,843	1,024,092	-	1,074,908	507,620
Contracted services	-	-	1,254,522	-	1,254,522	357,845
Outside rent	-	-	95,816	-	95,816	165,216
Miscellaneous	-	-	158,192	-	158,192	97,236
Fundraising events	-	-	52,519	-	52,519	-
Employment projects	-	-	53,900	-	53,900	63,792
Food and common area fees	-	-	67,165	-	67,165	61,643
Management fees	-	-	32,796	-	32,796	34,425
Medicare revenue, net	-	-	75,057	-	75,057	25,818
Unrealized gain/(loss)	-	-	20,186	-	20,186	12,269
Interest	2	11	151	-	164	337
Gain (loss) on disposal of fixed assets	-	-	601,751	-	601,751	(1,580)
Sliding fee and free care	-	-	33,416	-	33,416	(23,456)
Bad debts	-	(693)	(335,697)	-	(336,390)	(34,064)
Total Revenue	108,482	60,485	8,940,380	-	9,109,347	6,449,605
Total Public Support and Revenue	108,482	60,485	17,223,455	(173,566)	17,218,856	9,546,507
<u>Expenses:</u>						
Program	82,649	69,062	10,700,403	-	10,852,114	7,952,882
Administration	20,064	12,904	1,784,371	-	1,817,339	1,454,175
Fundraising	-	-	481,768	-	481,768	193,625
Total Expenses	102,713	81,966	12,966,542	-	13,151,221	9,600,682
Change in net assets	5,769	(21,481)	4,256,913	(173,566)	4,067,635	(54,175)
Net Assets (Deficit), Beginning of Year	(47,447)	43,583	3,262,622	223,108	3,481,866	3,536,041
Net Assets (Deficit), End of Year	\$ (41,678)	\$ 22,102	\$ 7,519,535	\$ 49,542	\$ 7,549,501	\$ 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, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2014 Total</u>	<u>2013 Total</u>
Expenses:					
Accounting fees	\$ -	\$ 49,400	\$ -	\$ 49,400	\$ 45,200
Advertising and printing	8,726	20,374	1,323	30,423	29,210
Client services and assistance	34,012	70	-	34,082	28,395
Client transportation	17,175	725	-	17,900	10,212
Conference and conventions	26,260	10,627	175	37,062	37,314
Contract labor	233,854	27,978	-	261,832	171,812
Dues and subscriptions	3,500	20,131	-	23,631	7,347
Employee benefits	571,413	215,500	51,735	838,648	695,060
Enabling services	-	-	-	-	139
Equipment rental	195	7,644	-	7,839	9,040
Food	63,300	592	-	63,892	50,475
Fundraising expenses	-	-	19,460	19,460	4,843
Garbage and trash removal	17,556	1,512	119	19,187	19,795
Grants	289,792	5,624	-	295,416	225,293
Information technology	109,688	24,645	39	134,372	151,903
Interest expense - mortgage	66,263	330,784	1,405	398,452	328,661
Interest expense - other	233	21,260	-	21,493	37,772
Journals and publications	1,390	365	-	1,755	1,153
Legal fees	26,350	21,517	75	47,942	67,155
Management fees	-	8,964	-	8,964	11,169
Medical and clothing	-	6,784	-	6,784	68,605
Office supplies	37,185	14,474	241	51,900	42,667
Operating and maintenance	209,052	13,015	627	222,694	134,706
Operational supplies	99,808	-	223	100,031	62,890
Other expenditures	5,618	42,434	94	48,146	29,093
Payroll taxes	392,602	62,054	28,052	482,708	353,615
Postage/shipping	2,918	7,095	564	10,577	8,405
Professional fees	194,586	32,445	10,581	237,612	120,929
Property and liability insurance	71,380	21,547	1,094	94,021	117,709
Property taxes	29,448	7,998	-	37,446	14,198
Rent expense	2,933,364	-	-	2,933,364	1,991,130
Salary and wages	4,247,198	713,672	359,775	5,320,645	3,665,782
Security deposits	117,348	-	-	117,348	38,063
Snow removal	39,225	2,423	184	41,832	40,629
Staff development	3,548	2,673	-	6,221	9,533
Staff expense	5,035	11,859	172	17,066	25,573
Staff transportation	35,819	24,748	381	60,948	67,840
Telephone/communications	66,413	25,652	1,566	93,631	67,329
Utilities	276,663	20,003	1,544	298,210	244,188
Vehicle expenses	21,927	544	-	22,471	23,696
Total Expenses Before Depreciation	<u>10,258,844</u>	<u>1,777,132</u>	<u>479,429</u>	<u>12,515,405</u>	<u>9,058,528</u>
Depreciation	<u>593,270</u>	<u>40,207</u>	<u>2,339</u>	<u>635,816</u>	<u>542,154</u>
Total Functional Expenses	<u>\$ 10,852,114</u>	<u>\$ 1,817,339</u>	<u>\$ 481,768</u>	<u>\$ 13,151,221</u>	<u>\$ 9,600,682</u>

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

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 4,067,635	\$ (54,175)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	635,816	542,154
(Gain) loss on disposal of fixed assets	(601,751)	1,580
(Gain) on beneficial interest	(19,967)	(12,062)
(Increase) Decrease In:		
Accounts receivable	(742,710)	51,068
Promises to give	50,000	(75,000)
Prepaid expenses	(1,372)	(22,364)
Other assets	(11,490)	(29,446)
Increase (Decrease) In:		
Accounts payable	355,331	(45,594)
Accrued expenses	207,140	119,341
Deferred revenue	(61,324)	63,657
Other liabilities	21,025	33,694
Net Cash Provided by Operating Activities	<u>3,898,333</u>	<u>572,853</u>
Cash Flows From Investing Activities:		
Restricted deposits and funded reserves	(120,585)	76,421
Security deposits	4,107	(3,143)
Proceeds from sale of fixed assets	866,502	-
Purchase of fixed assets	<u>(4,043,454)</u>	<u>(817,241)</u>
Net Cash Used by Investing Activities	<u>(3,293,430)</u>	<u>(743,963)</u>
Cash Flows From Financing Activities:		
Payments on line of credit	(407,000)	(2,131)
Payments on long term borrowings	(407,900)	(302,284)
Net change in due to/from related organizations	(60,131)	126,467
Net Cash Used by Financing Activities	<u>(875,031)</u>	<u>(177,948)</u>
Net Decrease	(270,128)	(349,058)
Cash and Cash Equivalents, Beginning of Year	<u>440,522</u>	<u>789,580</u>
Cash and Cash Equivalents, End of Year	<u>\$ 170,394</u>	<u>\$ 440,522</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 429,621</u>	<u>\$ 377,285</u>
Non-cash financing activities	<u>\$ 518,515</u>	<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, 2014, 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) is 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, 2014, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

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

The carrying amount of the Organization's deposits with financial institutions was \$170,394 at June 30, 2014. 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, 2014. The bank balance is categorized as follows:

Insured by FDIC	\$ 419,349
Insured by SIPC	63,986
Uninsured and uncollateralized	<u>494,999</u>
Total Bank Balance	<u>\$ 978,334</u>

4. Accounts Receivable, Net:

Accounts receivable at June 30, 2014 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
HUD I Program:			
Residents	\$ <u>45</u>	\$ <u>-</u>	\$ <u>45</u>
Total	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 45</u>
HUD VI Program:			
Residents	\$ <u>9,276</u>	\$ <u>(4,310)</u>	\$ <u>4,966</u>
Total	<u>\$ 9,276</u>	<u>\$ (4,310)</u>	<u>\$ 4,966</u>
Program Operations:			
Residents	\$ 57,196	\$ (34,761)	\$ 22,435
Security deposits	5,910	-	5,910
Medicaid	289,010	(80,635)	208,375
Grants	912,543	-	912,543
Insurance	212,771	(137,009)	75,762
Patients	327,509	(281,115)	46,394
Other	<u>161,555</u>	<u>-</u>	<u>161,555</u>
Total	<u>\$ 1,966,494</u>	<u>\$ (533,520)</u>	<u>\$ 1,432,974</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, 2014 are as follows:

	<u>Due to</u>	<u>Due From</u>
Current:		
Healthy at Home	\$ 116,304	\$ -
Southern NH HIV/AIDS Task Force	44,564	-
HH Ownership, Inc.	-	13,032
Harbor Homes III, Inc.	-	<u>11,490</u>
Subtotal current	160,868	24,522
Noncurrent:		
Greater Nashua Council on Alcoholism	-	55,249
Milford Regional Counseling Services, Inc.	-	41,415
Harbor Homes II, Inc.	-	126,044
Welcoming Light, Inc.	-	<u>129,794</u>
Subtotal noncurrent	-	<u>352,502</u>
Total	<u>\$ 160,868</u>	<u>\$ 377,024</u>

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

6. Prepaid Expenses:

Prepaid expenses consist of the following items:

	<u>HUD I</u> <u>Program</u>	<u>HUD VI</u> <u>Program</u>	<u>Program</u> <u>Operations</u>
Prepaid insurance	\$ -	\$ -	\$ 9,470
Prepaid HRA	-	-	9,079
Prepaid other	-	-	<u>10,026</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,575</u>

7. Property, Equipment and Depreciation:

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

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Construction in progress	\$ -	\$ -	\$ 4,442,919
Land	49,484	54,750	1,642,956
Land improvements	12,290	-	-
Buildings	253,233	257,403	15,862,625
Building improvements	89,762	1,500	995,166
Software	-	-	320,366
Vehicles	-	-	211,878
Furniture and fixtures	-	-	162,183
Equipment	18,695	-	163,297
Medical equipment	-	-	65,761
Subtotal	<u>423,464</u>	<u>313,653</u>	<u>23,867,151</u>
Less: accumulated depreciation	<u>(342,112)</u>	<u>(21,626)</u>	<u>(4,241,523)</u>
Total	<u>\$ 81,352</u>	<u>\$ 292,027</u>	<u>\$ 19,625,628</u>

Depreciation expense for the year ended June 30, 2014 totaled \$635,816.

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

<u>Assets</u>	<u>Years</u>
Land improvements	15
Buildings and improvements	10 - 40
Software	3
Vehicles	3
Furniture and fixtures	5 - 7
Equipment and medical 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 Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Security deposits	\$ 2,329	\$ 565	\$ 40,880
Reserve for replacements	43,069	28,455	200,609
Residual receipt deposits	<u>2,771</u>	<u>1,613</u>	<u>-</u>
Total	<u>\$ 48,169</u>	<u>\$ 30,633</u>	<u>\$ 241,489</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, 2014, the value of the fund was \$148,204.

10. Accrued Expenses:

Accrued and other liabilities include the following:

	<u>HUD I</u> <u>Program</u>	<u>HUD VI</u> <u>Program</u>	<u>Program</u> <u>Operations</u>
Mortgage interest	\$ 1,262	\$ 1,348	\$ -
Payroll and related taxes	-	-	324,646
Compensated absences - vacation time	-	-	319,591
Compensated absences - personal time	-	-	30,934
Other	<u>416</u>	<u>-</u>	<u>26,479</u>
Total	<u>\$ 1,678</u>	<u>\$ 1,348</u>	<u>\$ 701,650</u>

11. Line of Credit:

At June 30, 2014, the Organization had a \$500,000 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, 2014 the credit line had an outstanding balance of \$400,868, at an interest rate of 4.25%.

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 located at 59 Factory Street in Nashua, NH. This amount is amortized over 10 years at zero percent interest. The amount due at June 30, 2014 is \$142,410.

14. Mortgages Payable:

Mortgages payable as of June 30, 2014 consisted of the following:

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,879, including principal and interest at an adjustable rate of for the initial ten years based on the then prevailing 10/30 Federal Home Loan Bank Amortizing Advance Rate plus 3.00% and resetting in year 11 based on the then prevailing 10/20 Federal Home Loan Bank Amortizing Advance Rate plus 3.00%, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH. \$ 1,205,963

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,193, including principal and interest at an adjustable rate of 4.57% for twenty years, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH. 1,203,460

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 located at 59 Factory Street in Nashua, NH. 1,110,556

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 located at 45 High Street in Nashua, NH. 738,239

(continued)

(continued)

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 located at 46 Spring Street in Nashua, NH.	691,879
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 located at 46 Spring Street in Nashua, NH.	657,895
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 located on Maple Street in Nashua, NH.	491,188
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 located at 59 Factory Street in Nashua, NH.	484,279
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 located at 189 Kinsley Street in Nashua, NH.	309,995
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 located at 7 Trinity Street in Claremont, NH.	234,613
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 located at 3 Winter Street in Nashua, NH.	163,597
	(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 located at 24 Mulberry Street in Nashua, NH.	136,232
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 located at 4 New Have Drive, Unit 202 in Nashua, NH.	102,597
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 located at 59 Factory Street in Nashua, NH.	52,136
Total	7,582,629
Less amount due within one year	(198,801)
Mortgages payable, net of current portion	<u>\$ 7,383,828</u>

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

<u>Year</u>	<u>Amount</u>
2015	\$ 198,801
2016	213,090
2017	225,721
2018	222,296
2019	235,277
Thereafter	<u>6,487,444</u>
Total	<u>\$ 7,582,629</u>

15. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2014 totaling \$5,332,834. 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, 2014:

	<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
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>1,000,000</u>
Total NHHFA	<u>2,600,000</u>
Total Mortgages Payable, Deferred	<u>\$ 5,332,834</u>

16. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2014:

<u>Purpose</u>	<u>Amount</u>
Art supplies	\$ 350
Dalianis bricks	735
HVRP	6,479
Operation brightside	2,000
SCOAP	3,139
Thanksgiving	693
Veterans computers	5,630
2014 Christmas gifts	300
2014 mainstream	30,088
2014 PEC	88
2014 standdown	40
Total	<u>\$ 49,542</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time.

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 \$1,850,170 and another mortgage in the amount of \$200,000.

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 2014.

Harbor Homes, Inc. receives management fees from the related HUD projects.

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.

The 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. 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, 2014 were \$117,680.

In addition to the retirement plan noted above, the Organization also has a Section 457 deferred compensation plan with a value of \$40,936 at June 30, 2014.

19. Concentration of Risk:

The Organization receives 36%, 16%, 14% and 5% of its revenue from the Department of Health and Human Services, the Department of Housing and Urban Development, the Department of Veterans Affairs, and Medicaid, respectively.

20. 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	\$ 377,024	\$ 377,024	\$ -	\$ -	\$ 377,024
Beneficial interest	<u>148,204</u>	<u>148,204</u>	<u>-</u>	<u>-</u>	<u>148,204</u>
Total assets	<u>\$ 525,228</u>	<u>\$ 525,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,228</u>

(continued)

(continued)

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Due to related organizations	\$ 160,868	\$ 160,868	\$ -	\$ -	\$ 160,868
Line of credit	400,868	400,868	-	400,868	-
Mortgages payable, tax credits	142,410	142,410	-	-	142,410
Mortgages payable	7,582,629	7,582,629	-	7,582,629	-
Mortgages payable, deferred	<u>5,332,834</u>	<u>5,332,834</u>	<u>-</u>	<u>5,332,834</u>	<u>-</u>
Total liabilities	<u>\$ 13,619,609</u>	<u>\$ 13,619,609</u>	<u>\$ -</u>	<u>\$ 13,316,331</u>	<u>\$ 303,278</u>

Fair Value Measurements
Using Significant Unobservable Inputs
Level 3

	<u>Due from related organizations</u>	<u>Beneficial Interest</u>	<u>Due to related organizations</u>	<u>Mortgages Payable, Tax Credits</u>
Beginning balance June 30, 2013	\$ 307,546	\$ 128,237	\$ 151,521	\$ 163,453
Advances	468,396	19,967	279,276	-
Reductions	<u>(398,918)</u>	<u>-</u>	<u>(269,929)</u>	<u>(21,043)</u>
Ending balance June 30, 2014	<u>\$ 377,024</u>	<u>\$ 148,204</u>	<u>\$ 160,868</u>	<u>\$ 142,410</u>

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

21. 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 \$552,000 for the year ended June 30, 2014. The Clinic billed a third-party payer approximately \$424,000 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, 2014 was approximately \$120,000.

22. Subsequent Events:

Subsequent to year end, the Organization was awarded a \$9.9m grant, over two and a half years, through the Housing Prevention Rapid Rehousing Program funded by the Bureau of Behavioral Health. In addition, the Organization was awarded a \$1.2m grant, over three years, from the Substance Abuse and Mental Health Services Administration.

In September and October of 2014, the Organization sold two condominiums that were no longer required for the Permanent Housing Program.

On August 20, 2014, the Organization provided an unlimited and unconditional guaranty on a revolving line of credit agreement for a related party (see note 11). Under this agreement \$250,000 is available to the related organization to provide for working capital requirements through September 30, 2016.

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2014 through January 15, 2015, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

23. Change in Net Assets:

During fiscal year 2014, the Organization received approximately \$4,046,000 in grant funding for the rehabilitation of the property housing the Harbor Care Health and Wellness Center. This on-time grant contributed to the change in net assets (approximately \$4,067,000) for fiscal year 2014.

HARBOR HOMES, INC.
Schedule of Activities by Cost Center
For the Year Ended June 30, 2014

	Non BBH			Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	HPRP (Bridge) State	Administration	Fundraising	Total
	Healthcare Clinic	HCH - CJP	Other								
Public Support and Revenue:											
Public Support:	\$ 681,187	\$ 4,045,763	\$ 1,208,327	\$ -	\$ 1,500	\$ 159,914	\$ -	\$ -	\$ 21,043	\$ -	\$ 6,117,734
Federal grants	112,837	50,000	261,187	-	-	66,534	-	1,228,155	-	-	1,718,713
State, local, and other grants	15,115	-	67,922	-	-	10,900	-	-	178,193	932	273,062
Donations											
Total Public Support	809,139	4,095,763	1,537,436	-	1,500	237,348	-	1,228,155	199,236	932	8,109,509
Revenue:											
Department of Housing and Urban Development	-	-	2,586,023	-	-	-	195,603	-	-	-	2,781,626
Veterans Administrative grants	-	-	2,226,141	-	-	-	-	-	-	-	2,226,141
Medicaid - Federal and State, net	127,975	-	52,738	369,643	367,222	-	-	-	-	-	917,578
Rent and service charges, net	192,776	-	851,044	-	3,720	2,609	24,759	-	-	-	1,074,908
Contracted services	-	-	1,254,522	-	-	-	-	-	-	-	1,254,522
Outside rent	-	-	71,000	-	-	-	24,816	-	-	-	95,816
Miscellaneous	1,818	-	35,379	-	-	-	-	-	120,995	-	158,192
Fundraising events	-	-	-	-	-	-	-	-	-	52,519	52,519
Employment projects	-	-	53,900	-	-	-	-	-	-	-	53,900
Food and common area fees	-	-	-	34,765	32,400	-	-	-	-	-	67,165
Management fees	-	-	-	-	-	-	-	-	32,796	-	32,796
Medicare revenue, net	40,191	-	34,866	-	-	-	-	-	-	-	75,057
Unrealized gain/(loss)	-	-	-	-	-	-	-	-	20,186	-	20,186
Interest	2	-	29	-	-	-	-	-	133	-	164
Gain (loss) on disposal of fixed assets	-	-	523,061	-	-	-	75,688	-	3,002	-	601,751
Sliding fee and free care	33,416	-	-	-	-	-	-	-	-	-	33,416
Bad debts	(166,783)	-	(167,433)	(619)	-	(1,305)	(250)	-	-	-	(336,390)
Total Revenue	229,395	-	7,521,270	403,789	403,342	1,304	320,616	-	177,112	52,519	9,109,347
Total Public Support and Revenue	1,038,534	4,095,763	9,058,706	403,789	404,842	238,652	320,616	1,228,155	376,348	53,451	17,218,856
Expenses before depreciation	1,100,296	45,612	7,039,730	235,084	245,938	210,087	282,585	1,099,512	1,777,132	479,429	12,515,405
Change in net assets before depreciation	(61,762)	4,050,151	2,018,976	168,705	158,904	28,565	38,031	128,643	(1,400,784)	(425,978)	4,703,451
Depreciation	44,861	-	518,304	127	-	3,726	26,252	-	40,207	2,339	635,816
Change in net assets	<u>\$ (106,623)</u>	<u>\$ 4,050,151</u>	<u>\$ 1,500,672</u>	<u>\$ 168,578</u>	<u>\$ 158,904</u>	<u>\$ 24,839</u>	<u>\$ 11,779</u>	<u>\$ 128,643</u>	<u>\$ (1,440,991)</u>	<u>\$ (428,317)</u>	<u>\$ 4,067,635</u>

See Independent Auditors' Report.

HARBOR HOMES, INC.
Schedule of Expenses

For the Year Ended June 30, 2014

Expenses:	Healthcare Clinic		Non BBH		Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	HPRP (Bridge) State	Administration	Fundraising	Total
			HCH - CIP	Other								
Accounting fees	\$ 8,726	-	-	-	\$ -	-	-	-	-	\$ 49,400	-	\$ 49,400
Advertising and printing	-	-	-	33,787	-	-	-	-	-	20,374	1,323	30,423
Client services and assistance	-	-	-	17,175	-	-	225	-	-	70	-	34,082
Client transportation	-	-	-	17,175	-	-	-	-	-	725	-	17,900
Conference and conventions	4,242	-	-	21,868	-	-	150	-	-	10,627	175	37,062
Contract labor	18,178	-	-	215,576	100	-	-	-	-	27,978	-	261,832
Dues and subscriptions	3,145	-	-	355	-	-	-	-	-	20,131	-	23,631
Employee benefits	104,026	-	-	357,495	22,720	35,391	7,773	20,633	23,375	215,500	51,735	836,648
Equipment rental	-	-	-	117	-	-	-	39	-	7,644	-	7,839
Food	-	-	-	24,355	21,076	17,474	395	-	-	592	-	63,882
Fundraising expenses	-	-	-	-	-	-	-	-	-	-	19,460	19,460
Garbage and trash removal	306	-	-	14,511	-	-	20	2,719	-	1,512	119	19,187
Grants	-	-	-	288,960	-	-	677	120	35	5,624	-	295,416
Information technology	5,549	-	45,612	56,674	-	133	32	58	1,630	24,645	39	134,372
Interest expense - mortgage	3,615	-	-	62,648	-	-	-	-	-	330,784	1,405	398,452
Interest expense - other	-	-	-	233	-	-	-	-	-	21,260	-	21,493
Journals and publications	346	-	-	628	208	208	-	-	-	365	-	1,755
Legal fees	3,000	-	-	21,580	-	-	-	1,770	-	21,517	75	47,942
Management fees	-	-	-	-	-	-	-	-	-	8,964	-	8,964
Medical and clothing	-	-	-	-	-	-	-	-	-	6,784	-	6,784
Office supplies	1,269	-	-	34,117	580	131	222	646	220	14,474	241	51,900
Operating and maintenance	4,117	-	-	167,655	-	1,584	9,229	26,467	-	13,015	627	222,684
Operational supplies	15,077	-	-	66,227	3,547	3,346	4,306	7,305	-	223	223	100,031
Other expenditures	5,352	-	-	-	-	-	221	35	-	42,434	94	48,146
Payroll taxes	73,541	-	-	262,845	17,198	16,436	4,726	7,268	10,588	62,054	28,052	482,708
Postage/shipping	308	-	-	2,228	-	-	4	52	325	7,095	564	10,577
Professional fees	9,966	-	-	184,620	-	-	-	-	-	32,445	10,581	237,612
Property and liability insurance	12,819	-	-	51,324	510	400	2,529	2,495	1,303	21,547	1,094	94,021
Property taxes	-	-	-	29,448	-	-	-	-	-	7,998	-	37,446
Rent expense	-	-	-	1,823,361	-	-	-	94,115	923,674	-	-	2,933,364
Salary and wages	816,455	-	-	2,831,635	168,234	168,096	51,751	84,423	126,604	713,672	359,775	5,320,645
Security deposits	-	-	-	91,441	-	-	18,627	5,580	1,700	-	-	117,348
Snow removal	474	-	-	34,501	-	-	32	4,218	-	2,423	184	41,832
Staff development	328	-	-	3,220	-	-	-	-	-	2,673	-	6,221
Staff expense	1,408	-	-	3,247	119	23	180	35	23	11,859	172	17,066
Staff transportation	1,222	-	-	24,262	487	445	303	504	8,586	24,748	381	60,948
Telephone/communications	2,845	-	-	55,678	295	565	2,311	3,309	1,410	25,652	1,566	93,631
Utilities	3,972	-	-	238,081	-	-	14,160	20,450	-	20,003	1,544	298,210
Vehicle expenses	-	-	-	19,877	-	1,706	-	344	-	544	-	22,471
Total Expenses Before Depreciation	1,100,296	-	45,612	7,039,730	235,084	245,938	210,087	282,585	1,099,512	1,777,132	479,429	12,515,405
Depreciation	44,861	-	-	518,304	127	-	3,726	26,252	-	40,207	2,339	635,816
Total Expenses	\$ 1,145,157	\$ 45,612	\$ 7,558,034	\$ 235,211	\$ 245,938	\$ 213,813	\$ 1,099,512	\$ 308,837	\$ 1,817,339	\$ 481,768	\$ 13,151,221	

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 - **Treasurer**

Vincent Chamberlain - **Chair**

Laurie Des Rochers

Laurie Goguen - **Secretary**

Nathan Goodwin

Alphonse Haettenschwiller

Lynn King

Captain James Lima

Naomi Moody

Dan Sallet

Geoff DeFranca

James Lima

Joel Jaffe

Phil Duhaime

Phil Richard

Rick Plante

Brian Boyer

OBJECTIVE

Actively seeking an upper level management position utilizing experience and skills in delivering excellent work ethic and leadership, optimizing growth and management efficiency.

Highly motivated and dedicated individual, with dynamic leadership abilities, training expertise, and professionalism, delivering quality based growth and management procedures. Consistently achieving strong record of outperforming budget quotas, developing new business, and strengthening community relationships, with advanced knowledge of relationships, and energized by new challenges. Expert training, presentation, negotiation, sales and communication skills, with keen abilities in planning, goal setting, strategy implementation, and risk management.

*Advanced Management Skills ▫ Association Development ▫ High-Impact Marketing
▫ Presenter and Trainer ▫ Strong Community Relationships ▫ Risk Management*

QUALIFICATIONS

- Well-rounded and diligent job executer; focus and energetic, able to establish rapport with, and elicit loyalty from, superiors, colleagues, and subordinates
- Extensive experience in the human Services industry, community outreach and business development
- Proven success in initiating, promoting, and maintaining strong interpersonal relations with the ability to transact in courteous, professional, and tactful manner; thrive in both independent and group work environments
- Detail-oriented, efficient, and organized professional, with extensive experience in management in highly stressful and fast-paced environments, with emerging and multiple responsibilities
- Experienced trainer in the areas of effective communication, relationship building, team building, development, risk prevention, and behavior management strategies
- Certified instructor in conflict resolution, crisis intervention, effective coaching, and American Red Cross First Aid/CPR

PROFESSIONAL EXPERIENCE

Harbor Homes Inc ▫ NASHUA, NH

PROGRAM MANAGER

Oct 2008- Present

- Responsible for implementing a collaborative grant program with the State of NH which identifies consumers throughout the state for housing opportunities
- Property, clinical and residential manager for over 70 residents, managing 15 staff and 5 different programs
- Develop and Manage all program budgets
- Create strong relationships with health providers and property managers throughout the state in order to increase referrals
- Exceeded budget goals, and increased program revenue in all programs
- Managed all compliance activities and risk analysis

Somerset Swim and Fitness ▫ NASHUA, NH

MEMBERSHIP & SALES DIRECTOR

Aug 2007- Sept 2008

Responsible for the company's daily operations with an emphasis on sales, B2B sales and membership growth

Brian Boyer

- Created environment conducive to growth through staff trainings and the development and promotion of high level of customer service.
- Exceeded sales goals, and increased program participation in all areas of the club
- Responsible for facility, risk, fiscal and budget management

YMCA of Greater Nashua ■ NASHUA, NH
SENIOR COMMUNITY-OUTREACH DIRECTOR

Oct 2000-Aug 2007

- Primary responsibility to increase membership and program participation through increasing Business relationships, and community collaborations including the development of new and increasing existing financial support
- Under the management of the Associate Executive Director, responsible for developing, supporting and managing over 100 staff in all areas of programming
- Scheduled, coordinated, monitored and assessed all association trainings
- Created, marketed, budgeted, and evaluated new and existing programs and development initiatives
- Generated a new department with \$150,000 annual income and assisted other departments by tripling the registrations of targeted membership in the first two years
- Defined needs of the community through extensive networking and collaborating with community leaders including government agencies, non-profits, community groups, and task forces
- Produced hundreds of business and personal relationships in the community resulting to an affluent balance of the budget
- Exceeded goals in the area of fund raising, and served as a leader for the Nashua YMCA in grant writing and development and strategic planning

Community Council of Nashua, N. H., Inc. ■ NASHUA, NH
FACILITATOR / SENIOR CASE MANAGER / TRAINER

Oct 1995-Present

- Work as part-time educator, trainer, and facilitator providing effective approach to working with youth and families
- Provided training to staff and community members in the areas of conflict resolution, effective communication, and effective program development strategies
- Provide intensive Case Management and Mental Illness Management and support to children and their families
- Served on the quality assurance and risk management teams
- Coordinated with other members of the Intensive Community-Based Support Systems Team, therapists, psychiatrists, families, and community members regarding problem solving, designing treatment plans, and mental illness management

EDUCATION

Master's Level Coursework
Rivier College, Nashua, NH: 2006

Bachelor of Arts in Sociology

University of New Hampshire, Durham, NH: 1999

JARED M. ARIKA

OBJECTIVE:

Seeking a position as a Housing Case Manager where my intensive experience in mental health and the provision of community services can positively impact an individual consumer, and the community at large.

SUMMARY

Assume the responsibilities of promoting each consumer in recovery through the planning and implementation of a well-coordinated array of services and collaboration, based on the clients' preferences, needs and strengths.

Work history:

HARBOR HOMES, INC: Nashua, New Hampshire

Housing Case manager: April 2014 to Present

- Initiate meetings with consumers, conduct housing assessment, and facilitate the entry process based on consumer household, preferred community and housing units.
- Assist with housing application process, identify existing barriers to consumer's self-sufficiency, and make appropriate referral to providers and community resources. as needed.
- Assess housing and income verification and developing action plan,
- Coordinate and advocate for the involvement of appropriate professionals from other agencies
- Communicate with property managers to ensure a smooth transition during move in and departure of consumers
- Provide periodic case management follow-up services to assess/monitor consumers progress
- Respond to consumer emergencies
- Participate and contribute to team building as needed
- Attend interagency and networking meeting and trainings as appropriate

Resident Coordinator: 2001 – 2005, and 2009 – April 2014

- Monitors the implementation of the service plans and services for program residents.
- Ensures that appropriate medical and physical health services are addressed for each resident.
- Communicates regularly with Case Managers to ensure coordination of services.
- Monitors the quality of all resident files and progress, and completes related documents.
- Performs any necessary computer related activities; including daily, monthly and quarterly documentation.
- Manages the facility records and related finances and records of resident

COMMUNITY COUNCIL OF NASHUA: Nashua, NH 2007 to 2009

Case management:

- Collaborate with counselors, physicians, to plan and coordinate treatment, drawing on social work experience and consumer needs.
- Monitor, evaluate, and record consumer progress with respect to treatment goals.
- Refer consumer, or family to community resources for housing or treatment to assist in recovery from mental or physical illness, and followed through to ensure service efficacy.
- Facilitated family meeting and worked with family members to assist them in understanding, dealing with, and supporting the consumer towards recovery.
- Modify treatment plans according to changes in client status or progress.

Case coordination.

- Serve as the consumer's advocate for obtaining needed services, both within the clinical setting, and in the community.
- Coordinate and assist clients to develop a master treatment plan, which identifies specific problems, goals and objectives to address.
- Link consumers with programs and resources in their community and monitor progress.
- Develop and mobilize community support systems, including housing, benefits, family etc.
- Provide supports necessary to sustain the consumer in current living situation or other community setting of their choice.

Skills Building

- Teach skills needed to successfully live with others.
- Assist to develop skills needed for consumer to be able to comply with prescribed medications.
- Help client to develop understanding of his/ her mental illness to enable him/her to adapt to the community.
- Provide family education in an effort to develop and enhance the family support system.
- Assist client to master activities of daily living.

SKILLS

- Computer skills- word-processing, excel, access, PowerPoint.
- Customer Service, Data processing,
- Fluent in English, and Swahili

EDUCATION

University Of Southern NH Manchester, NH

- Currently enrolled in a graduate program in Community Mental Health, with a focus in adults with mental health and substance abuse issues.
- Completed internship experience at GNMHC, focusing on group co-facilitation of individuals with mental disorders, substance abuse and other emotional issues

Mankato State University, Mankato, Minnesota, 1984 - 1988.

Bs. - Community Health Education,

Conducted community projects, including blood pressure screening, various disease prevention programs, and implementation of health and wellness programs.

- Internship at Minneapolis Health Department, -Minneapolis, Minnesota.
- Conducted a smoking cessation program
- Blood pressure screening for city employees
- Clinical experience in disease prevention and wellness.

Ashley G. Spencer

OBJECTIVE: To obtain a position as Housing Coordinator for Harbor Homes, Inc. located in Nashua NH with a profound goal to implement the services through working collaboratively with a team of providers and the Program Manager to establish the needs of consumers.

EDUCATION:

Bachelor of Arts in Sociology

Earned May 11, 2008

Keene State College, Keene

Master of Science in Community Mental Health Counseling

Earned May 14, 2011

Southern NH University, Manchester

WORK EXPERIENCE:

- **Student Consultant** 8/05-8/06
Aspire, TRIO & Office of Disability Services, Keene, NH
Includes- Supporting students with career choices
- **Residential Assistant,** 8/06-5/08
Residential Life, Keene, NH
Responsibilities include- Enforcing regulations of KSC Policy, event planning, social events and publicity
- **Intern** 4/09-7/09
Keystone Hall the Crisis Sobriety Facility of Nashua, Nashua NH
Responsibilities include- Noting client bed checks, attending groups, Filing & managing client files, telephone screening, retrieving/ Sending faxes, attending team meetings and other tasks
- **Intern** 3/11-5/11
Greater Nashua Mental Health Center, Nashua NH
Responsibilities include- Consistent Interaction with clients And assisting with tasks such as applying for Medicaid or attending Credit Counseling, obtaining paperwork for services, reviewing resources with clients, scheduling appointments, constructing narratives of progress for clients daily, attending weekly team and meetings co-facilitated a client group, assisted other staff with a variety of tasks
- **Bridge Housing Coordinator & Case Manager** 11/09-Present
Harbor Homes Inc., Nashua NH
Responsibilities include- Scheduling initial meeting with clients Upon Admission, reviewing paperwork upon entry: client confidentiality, rights and responsibilities, implementing program policies/procedures, monitoring client data and income changes, consistently communicating with Agencies such as DHHS, Social Security Administration, Unemployment Office. and various Mental Health Agencies in NH etc. through sending faxes, emails, mailing paperwork, telephone conversations, organizing paperwork, creating/ organizing individual case files daily. all tasks fulfilled daily. entering and undating client information into HUD HMIS Software System and in individual case files.

ADDITIONAL EXPERIENCE:

- **Vice President, Publicity Coordinator & General Assistant** 9/04-5/08
Multi-Cultural Common Ground Club and Diversity Organization, Keene, NH
includes- Promoting the clubs events with fliers/posters, planning events and assisting President with various administrative tasks

LEADERSHIP AWARDS & CERTIFICATES:

2005 Publicity Coordinator Award received from the Multi-Cultural Club at Keene State College

2010 Housing Bridge Subsidy Program Submitted as a "Promising Model Program"

2011 Alumni / Member of the TRIO and Aspire Program on behalf of Keene State College

COMPUTER SKILLS:

Familiarization with the following Computer Software: Microsoft Word, Microsoft Excel, Microsoft & Power Point etc.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Brian Boyer	Program Manager	\$56,000	100%	\$56,000
Ashley Spencer	Assistance Program Manager	\$46,000	100%	\$46,000
Peter Kelleher	President & CEO	\$166,115	2%	\$3,322
Scott Slattery	Housing Coordinator	\$68,000	10%	\$6,800
Patricia Robitaille	VP of Finance	\$102,856	5%	\$5,143

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF COMMUNITY BASED CARE SERVICES

Nicholas A. Toumpas
Commissioner

Diane Langley
Director

BUREAU OF BEHAVIORAL HEALTH

105 PLEASANT STREET, CONCORD, NH 03301
603-271-5007 1-800-852-3345 Ext. 5007
Fax: 603-271-5058 TDD Access: 1-800-735-2964

October 3, 2014

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

Retroactive

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health to enter into a **retroactive** agreement with Harbor Homes, Inc. (Vendor # 155358), 45 High Street, Nashua, NH 03060, to administer the Housing Bridge Subsidy Program which provides housing services and subsidies for rent for persons with mental illness who are at risk of becoming homeless in an amount not to exceed \$9,948,020, effective October 1, 2014 upon Governor and Executive Council approval, through June 30, 2017. *100% General Funds*

Funds are available in State Fiscal Year 2015, and anticipated to be available in State Fiscal Year 2016 and State Fiscal Year 2017, in the following account with the ability to adjust encumbrances in each of the State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-092-920010-59450000-102-500731-92205945 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIROAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

SFY	Class/Object	Class Title	Job Number	Budget
2015	102-500731	Contracts for Program Services	92205945	\$2,123,200
2016	102-500731	Contracts for Program Services	92205945	\$3,612,660
2017	102-500731	Contracts for Program Services	92205945	\$4,212,160
			Total:	\$9,948,020

EXPLANATION

This request is **retroactive** because internal program area discussions created a delay in sending the contract to the vendor. The purpose of this request is to administer the Housing Bridge Subsidy Program which provides housing services and rent subsidies for individuals with mental illness who are at risk of becoming homeless. Of the \$9,948,020 available for this program, \$8,882,202 will be used to provide direct housing services and rent subsidies to individuals will mental illness who are at risk of becoming homeless.

The Housing Bridge Subsidy Program is a highly successful program that provides rental subsidies to individuals with serious mental illness who are homeless or at risk of becoming

homeless. To receive the rental subsidies, individuals must be eligible and on the waiting list for a Section 8 housing voucher.

To date, the program has provided housing subsidies and supported three hundred and fifteen (315) consumers across the State of New Hampshire. Early outcome assessments of those participating in the program reflected a reduction in the use of New Hampshire Hospital bed days of 82%.

The Bureau of Behavioral Health (BBH), in collaboration with New Hampshire Housing Finance Authority (NHHFA), established a cooperative agreement. The cooperative agreement establishes consumers with a severe mental illness who have been admitted to New Hampshire Hospital as a new priority population to gain access to Section 8/Housing Choice Vouchers.

Housing Bridge Subsidy Program is available on a statewide basis, and consumers are given the full opportunity to choose in which community they would like to reside. All consumers served have a severe mental illness, and are connected with community mental health services in their local community. These efforts help support the individual in maintaining their apartment, prevent a further episode of homelessness, and promote the consumer independence and personal recovery goals.

Housing Bridge Subsidy Program provides tenant based rental assistance until a Section 8 voucher becomes available for the individual. As the program is modeled after the Section 8 program, participants are also responsible for paying 30% of their income towards their rent and Bureau of Behavioral Health funds up to \$689 per month to provide sufficient funding for safe affordable housing. The rental subsidy is not contingent upon a consumer accepting community mental health services.

The program is monitored through the required submission of monthly, quarterly, and annual reports regarding its performance and the individuals it serves, and through the Homeless Management Information data reporting system.

The contractor shall work collaboratively with the Bureau of Behavioral Health on a variety of initiatives designed to sustain a high quality system of services and supports for people with mental illness including continuous quality improvement activities, safeguarding the rights of people involved in services, and provision of ongoing staff training.

This contract was competitively bid. On July 11, 2014 the Department issued a Request for Proposals for qualified vendors to administer the Housing Bridge Subsidy Program. Housing Bridge Subsidy Program provides housing services and subsidies for rent in order to "bridge" the gap between institutional living and independent living with a permanent rental subsidy such as Section 8 Housing Choice Voucher or comparable rental subsidy. The request for proposals was available on the Department of Health and Human Services' website from July 11, 2014 through August 11, 2014. A total of two (2) proposals were submitted.

The proposals were evaluated by a team of six (6) Department of Health and Human Services employees with knowledge of the Housing Bridge Subsidy program requirements. The team also included staff with significant business and management expertise. The proposals were evaluated based on the criteria published in the Request for Proposals. Harbor Homes, Inc. was selected. The bid summary is attached.


The attached contract calls for the provision of these services for two years and reserves the Department's right to renew the agreement for up to two additional years, based upon the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

Should Governor and Executive Council determine not to approve this request, individuals with mental illness who are homeless and ready for discharge from an institution, or who are graduating or timing out of transitional housing would either remain in their current and more costly environments without being able to return to the community of their choice; remain homeless; or become homeless. People who are without housing and resources will resort to seeking local shelter in places not fit for habitation, or will attempt to travel to shelters in other communities. This will increase the likelihood that homeless people will be in danger of injury or death, and will be cut off from basic supports for health, education and treatment.

Area served: Statewide

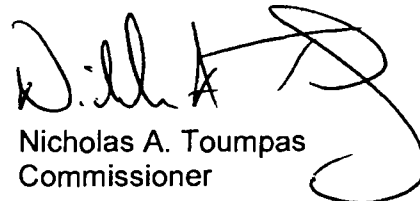
Source of funds: 100% General Funds

Respectfully submitted,



Geoffrey C. Souther
Director

Approved by:



Nicholas A. Toumpas
Commissioner



**New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Summary Scoring Sheet**

**Housing Bridge Subsidy Program for
Consumers with Severe Mental Illness**

15-DHHS-DCBCS-BBH-02

RFP Name

RFP Number

Reviewer Names

1. Beth Nichols, BBH, Planning Analyst &
Program Coordinator

Bidder Name

1. Harbor Homes, Inc.

2. NFI North, Inc.

3. 0

4. 0

Pass/Fail	Maximum Points
	235
	235
	235
	235

2. Dolly Foster, NHH, Assistant Administrator

3. Patricia Jackson, BHHS, Program Planning
& Review Specialist

4. Tom Grinley, BBH, Program Planner I

5. Ann Driscoll, BEAS/BBH, Administrator II

6. Peter Reid, BBH, Administrator III

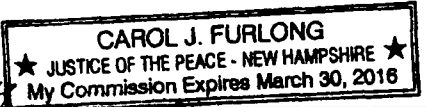
Subject: Housing Bridge Subsidy Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health & Human Services Bureau of Behavior Health Services		1.2 State Agency Address 129 Pleasant St. Concord, NH 03301	
1.3 Contractor Name Harbor Homes, Inc.		1.4 Contractor Address 45 High Street Nashua, NH 03060	
1.5 Contractor Phone Number (603) 882-3616	1.6 Account Number 05-095-092-920010- 59450000-102-500731- 92205945	1.7 Completion Date June 30, 2017	1.8 Price Limitation \$9,948,020
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature <i>Peter Kellohor</i>		1.12 Name and Title of Contractor Signatory Peter Kellohor, President & CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>10/13/14</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.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]		 <i>Carol J. Furlong</i>	
1.13.2 Name and Title of Notary or Justice of the Peace CAROL J. FURLONG, LCMHC, VP, OPERATIONS - HH1			
1.14 State Agency Signature <i>Geoffrey L. Souther</i>		1.15 Name and Title of State Agency Signatory Geoffrey L. Souther, Interim Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <i>Megan A. Yale</i> Megan A. Yale - Attorney On: 10/13/14			
1.18 Approval by the Governor and Executive Council 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.

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: 9/16/19

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.



Scope of Services

1. Provisions Applicable to All Services

- 1.1. For the purpose of this Contract, any reference to days shall be a reference to business days.
- 1.2. The Contractor shall provide services to individuals and families who meet the criteria for the Housing Bridge Subsidy, statewide.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with Limited English Proficiency to ensure meaningful access to their programs and/or services, within ten (10) days of the contract effective date.

2. Scope of Work

- 2.1. The Contractor shall facilitate enrollment for individuals eligible for Housing Bridge Subsidy Program (HBSP) services. The Contractor shall:
 - 2.1.1. Contact the referring agent to schedule a face-to-face meeting with the consumer and the consumer's support team that may include, but not be limited to, the consumer's guardian or other involved family member, as appropriate; the referring agent; a representative from the Bureau of Behavioral Health (BBH); and an appropriate mental health center representative.
 - 2.1.2. Work with the consumer's support team, listed in Section 2.1.1, to:
 - 2.1.2.1. Assess consumer's immediate temporary housing needs.
 - 2.1.2.2. Create an individualized housing plan within five (5) business days from the date the initial referral for services is received. Housing plans shall include, but not be limited to, supportive services; access to behavioral health care, as needed; access to psychiatric health care, as appropriate; and access to primary health care, as appropriate.
 - 2.1.3. Ensure successful acquisition of consumer housing services within fourteen (14) days of receiving the initial referral. The Contractor shall:
 - 2.1.3.1. Assess consumer housing preferences and housing history.
 - 2.1.3.2. Assist consumers with identifying available housing units in consumers' communities of choice.
 - 2.1.3.3. Assist consumers with obtaining, completing and submitting housing applications.
 - 2.1.3.4. Assist consumers with attending housing provider meetings, as appropriate, which includes, but is not limited to, performing housing unit inspections; and assisting consumers with identifying initial rental needs and resources.
 - 2.1.3.5. Work with the consumer and the consumer's support team identified in Section 2.1.1, to facilitate paperwork needed to verify income and program eligibility, which includes but is not limited to:

[Handwritten Signature]
9/16/14



Exhibit A

- 2.1.3.5.1. Credit reports.
 - 2.1.3.5.2. Landlord references.
 - 2.1.3.5.3. Criminal background checks.
 - 2.1.3.5.4. Income.
 - 2.1.3.5.5. Asset documentation.
- 2.2. The Contractor shall provide housing support by assisting eligible consumers with securing safe and affordable housing in the consumer's community of choice. The Contractor shall:
- 2.2.1. Assist consumers with identifying initial rental needs and resources, such as security deposits, utilities and furniture.
 - 2.2.2. Ensure selected housing meets the U.S. Housing and Urban Development (HUD), Section 8 requirements.
 - 2.2.3. Use HUD's habitability standards form to complete housing inspections.
 - 2.2.4. Assist consumers with applying for and obtaining benefits for which the consumer may be eligible, including but not limited to, security and utility deposit assistance, food stamps, SSI/SSDI and Section 8 housing assistance.
 - 2.2.5. Remain in close communication with the consumer for the first ninety (90) days of the consumer obtaining housing. The Contractor shall:
 - 2.2.5.1. Revise housing and support services plan, if necessary.
 - 2.2.5.2. Identify resources within the community that can assist consumers, including but not limited to, peer support agencies; faith-based groups; transportation services; primary care services; homemaker/personal care services; legal aid; and meals-on-wheels.
 - 2.2.5.3. Identify consumers' needs through treatment team meetings; self-observations; and feedback from landlords and the local mental health center case managers.
- 2.3. The Contractor shall administer HBSP services, which includes, but is not limited to:
- 2.3.1. Finding housing for current consumers, as described in Section 2.2.
 - 2.3.2. Reviewing consumers' income every ninety (90) days to calculate the consumer's 30% portion of rent.
 - 2.3.3. Completing annual inspections of consumers' apartments.
 - 2.3.4. Being the point of contact for landlords.
 - 2.3.5. Ensuring timely rental payments to landlords.
- 2.4. The Contractor shall ensure sufficient staffing to provide housing placement and support services to a minimum of six hundred (600) consumers. The Contractor shall ensure:
- 2.4.1. All staffing and volunteers undergo NH Criminal background checks.
 - 2.4.2. All staffing and volunteer names are submitted to the Bureau of Adult and Elderly Services for review against the State Consumer Protective Service Registry.



Exhibit A

2.5. The Contractor shall ensure all complaints regarding the HBSP services are investigated by the Complaint Investigator within fifteen (15) days of receiving the complaint. The Contractor shall ensure:

- 2.5.1. All parties relevant to the complaint are interviewed by the Complaint Investigator.
- 2.5.2. A determination is made by the Complaint Investigator as to whether the complaint is founded or unfounded.
- 2.5.3. The complainant is notified, in writing, of the finding.
- 2.5.4. All identities of any complainants are kept confidential.
- 2.5.5. Complainants are aware of the Contractor's process to request an appeal of findings.

3. Reporting Requirement

3.1. The Contractor shall submit annual performance reports (APR) to the Department as indicated below. The APR must be in narrative form summarizing the results of project activities and showing in particular how project activities were performed for the previous twelve months.

Federal Fiscal Year	Dates Included in Report	Due Date
2015	10/1/14-9/30/15	10/15/15
2016	10/1/15-9/30/16	10/17/16

3.2. The Contractor shall submit quarterly progress reports to the Department, as indicated below. Quarterly reports shall include, but not be limited to:

- 3.2.1. The number of participating consumers' assisted during the quarter.
- 3.2.2. The number of consumers who exited the project during the quarter.
- 3.2.3. The number of consumers who attained stable housing.
- 3.2.4. Demographic consumer information.
- 3.2.5. Barriers experienced by the program
- 3.2.6. Solutions to avoiding barriers identified.

State Fiscal Year	Dates Included in Report	Due Date
2014	10/1/14 – 12/31/14	1/4/15
2014	1/1/15 – 3/31/15	4/3/15
2014	4/1/15 – 6/30/15	7/3/15
2015	7/1/15 – 9/30/15	10/5/15
2015	10/1/15 – 12/31/15	1/6/16
2015	1/1/16 – 3/31/16	4/5/16
2015	4/1/16 – 6/30/16	6/30/16

3.3. The Contractor shall submit monthly progress reports, no later than three (3) business days after the conclusion of the month, specifying the amount of funds expended and the balance of funds remaining for HBSP services.



3.4. The Contractor shall provide monthly reports, quarterly reports and APRs that are based on Section 4, Requirements of Delivery of Services.

4. Requirements of Delivery of Services

4.1. The Contractor shall provide HBSP services to the 240 consumers currently in the program and increase housing assistance to additional consumers as indicated in the table, below:

Number of Additional Units	Period During which Housing Units Must be Filled.
50	July 1, 2014 – December 31, 2014
50	January 1, 2015 – June 30, 2015
110	July 1, 2015 – June 30, 2016
150	July 1, 2016 – June 30, 2017

4.2. The Contractor shall ensure:

- 4.2.1. Ninety (90) percent of consumers secure housing in their community of choice.
- 4.2.2. Ninety (90) percent of consumers maintain housing for a minimum of 18 months.
- 4.2.3. Ninety (90) percent of consumers decrease their hospital utilization to zero over an 18 month period.
- 4.2.4. Ninety (90) percent of consumers increase the number of days within the community over 18 months to at least ninety five (95) percent of the days in the 18 month period.
- 4.2.5. One hundred (100) percent of consumers are referred to and receive ongoing community mental health services.

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Method and Conditions Precedent to Payment

This contract is funded with general funds anticipated to be available based upon continued appropriation, which are conditioned upon continued support of the program by the state and federal governments. The contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.

1. The State shall pay the Contractor an amount not to exceed the Price Limitation on Form P37, Block 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. Payment for expenses shall be on a cost reimbursement basis only for actual expenditures. Expenditures shall be in accordance with the approved line item budgets shown in Exhibits B-1, B-2 and B-3.
3. Payment for services shall be made as follows:
 - 3.1. The Contractor shall submit monthly invoices for reimbursement of actual expenses incurred during the month. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice for Contractor services provided pursuant to this Agreement.
 - 3.2. Invoices identified in Section 3.1 must be submitted to:

Michele Harlan
Administrator of Community Mental Health Services
NH Department of Health and Human Services
Bureau of Behavioral Health
105 Pleasant St.
Concord, NH 03301
4. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Section 3.
5. A final payment request shall be submitted no later than sixty (60) days after the Contract ends. Failure to submit the invoice, and accompanying documentation could result in nonpayment.
6. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.
7. When the contract price limitation is reached, the program shall continue to operate at full capacity at no charge to the State of New Hampshire for the duration of the contract period.
8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

Exhibit B-1

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Bidder/Program Name: Harbor Homes Inc.

Budget Request for: Housing Bridge Subsidy Program for Consumers with Severe Mental Illness

Budget Period: October 1, 2014 - June 30, 2015

Line	Description	10/1/14	11/1/14	12/1/14	1/1/15	2/1/15	3/1/15	4/1/15	5/1/15	6/30/15	Total
1.	Total Salary/Wages	\$ 158,400.00	\$ 19,008.00	\$ 177,408.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,408.00
2.	Employee Benefits	\$ 44,352.00	\$ 5,322.00	\$ 49,674.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,674.00
3.	Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4.	Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Repair and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Purchase/Depreciation	\$ 8,000.00	\$ 960.00	\$ 8,960.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,960.00
5.	Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Educational	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Lab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Office	\$ 3,600.00	\$ 432.00	\$ 4,032.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,032.00
6.	Travel	\$ 35,000.00	\$ 4,200.00	\$ 39,200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,200.00
7.	Occupancy	\$ 1,635,000.00	\$ 196,200.00	\$ 1,831,200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,831,200.00
8.	Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Telephone	\$ 4,320.00	\$ 518.00	\$ 4,838.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,838.00
	Postage	\$ 748.00	\$ 90.00	\$ 838.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 838.00
	Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Insurance	\$ 6,336.00	\$ 714.00	\$ 7,050.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,050.00
	Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9.	Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.	Marketing/Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11.	Staff Education and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12.	Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13.	Other (specify details mandatory):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 1,895,766.00	\$ 227,444.00	\$ 2,123,200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,123,200.00

Indirect As A Percent of Direct 12.0%

Contractor Initials: PK
Date: 10/1/14

Exhibit B-2

**New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD**

Bidder/Program Name: Harbor Homes Inc.
Budget Request for: Housing Bridge Subsidy Program for Consumers with Severe Mental Illness
Budget Period: July 1, 2015 - June 30, 2016

Line Item	Incremental	Original	Incremental	Original	Incremental	Original	Incremental	Original	Incremental	Original	Incremental	Original
1. Total Salary/Wages	\$ 218,000.00	\$ 244,160.00	\$ 26,160.00	\$ 244,160.00	\$ -	\$ -	\$ -	\$ 26,160.00	\$ 244,160.00	\$ -	\$ -	\$ 244,160.00
2. Employee Benefits	\$ 61,040.00	\$ 68,365.00	\$ 7,325.00	\$ 68,365.00	\$ -	\$ -	\$ -	\$ 7,325.00	\$ 68,365.00	\$ -	\$ -	\$ 68,365.00
3. Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 240.00	\$ 269.00	\$ 29.00	\$ 269.00	\$ -	\$ -	\$ -	\$ 29.00	\$ 269.00	\$ -	\$ -	\$ 269.00
6. Travel	\$ 46,500.00	\$ 52,080.00	\$ 5,580.00	\$ 52,080.00	\$ -	\$ -	\$ -	\$ 5,580.00	\$ 52,080.00	\$ -	\$ -	\$ 52,080.00
7. Occupancy	\$ 2,883,000.00	\$ 3,228,960.00	\$ 345,960.00	\$ 3,228,960.00	\$ -	\$ -	\$ -	\$ 345,960.00	\$ 3,228,960.00	\$ -	\$ -	\$ 3,228,960.00
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone	\$ 7,200.00	\$ 8,064.00	\$ 864.00	\$ 8,064.00	\$ -	\$ -	\$ -	\$ 864.00	\$ 8,064.00	\$ -	\$ -	\$ 8,064.00
Postage	\$ 889.00	\$ 996.00	\$ 107.00	\$ 996.00	\$ -	\$ -	\$ -	\$ 107.00	\$ 996.00	\$ -	\$ -	\$ 996.00
Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,720.00	\$ 9,766.00	\$ 1,046.00	\$ 9,766.00	\$ -	\$ -	\$ -	\$ 1,046.00	\$ 9,766.00	\$ -	\$ -	\$ 9,766.00
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 3,225,669.00	\$ 3,612,860.00	\$ 387,071.00	\$ 3,612,860.00	\$ -	\$ -	\$ -	\$ 387,071.00	\$ 3,612,860.00	\$ -	\$ -	\$ 3,612,860.00
Indirect As A Percent of Direct			12.0%									

Harbor Homes, Inc.
Exhibit B-2
Page 1 of 1

Contractor Initials: PH
Date: 10/11/14

Exhibit B-3

Line Item	Bidder/Program Name		Contractor Name		Contractor Name		Contractor Name		Contractor Name	
	Incidental	Direct	Incidental	Direct	Incidental	Direct	Incidental	Direct	Incidental	Direct
1. Total Salary/Wages	\$ 218,000.00	\$ 26,160.00	\$ 244,160.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Employee Benefits	\$ 61,040.00	\$ 7,325.00	\$ 68,365.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 240.00	\$ 29.00	\$ 269.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Travel	\$ 38,000.00	\$ 4,560.00	\$ 42,560.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Occupancy	\$ 3,427,200.00	\$ 411,264.00	\$ 3,838,464.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone	\$ 7,200.00	\$ 864.00	\$ 8,064.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage	\$ 457.00	\$ 55.00	\$ 512.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,720.00	\$ 1,046.00	\$ 9,766.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 3,760,857.00	\$ 461,303.00	\$ 4,212,160.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect As A Percent of Direct		12.0%								

Harbor Homes, Inc.
 Exhibit B-3
 Page 1 of 1

Contractor Initials: *M*
 Date: 10/11/14



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 Contractor's 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 funders 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 funders, 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. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEO Certification Form to the OCR certifying it is not required to submit or maintain an EEO. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEO requirement, but are required to submit a certification form to the OCR to claim the exemption. EEO Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **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:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. 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
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. 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.

[Handwritten Signature]
9/16/14



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. The Department reserves the right to renew the Agreement for up to two additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Executive Council.



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


Date 9/16/14



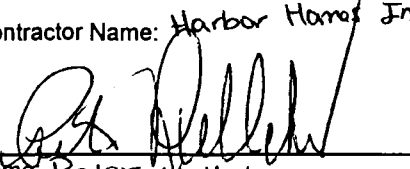
has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- 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.

9/16/14
Date

Contractor Name: Harbor Homes Inc.

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):

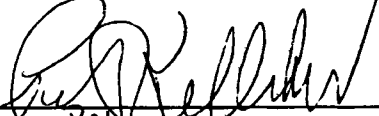
- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title 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-1.)
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 .


Name: Peter Kelleher
Title: President & CEO

9/16/14
Date



**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 Order 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

JK
Date 9/16/14



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 (l)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (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.

Name: Peter Kelchner
Title: President & CEO

9/16/14
Date



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND
WHISTLEBLOWER PROTECTIONS**

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:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

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

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.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex

New Hampshire Department of Health and Human Services
Exhibit G

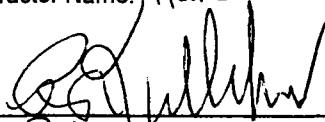


against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

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

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

9/16/14
Date

Contractor Name: Harbor Home, Inc .

Name: Peter Kelleher
Title: President & CEO

Contractor Initials PK
Date 9/16/14