



109 715

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

BUREAU OF BEHAVIORAL HEALTH

Nicholas A. Toumpas
Commissioner

105 PLEASANT STREET, CONCORD, NH 03301
603-271-5000 1-800-852-3345 Ext. 5000
Fax: 603-271-5058 TDD Access: 1-800-735-2964

Nancy L. Rollins
Associate Commissioner

April 25, 2013

*83% general
17% federal*

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

Sole Source

Requested Action

Authorize the Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, to enter into a **sole source agreement** with Harbor Homes, Inc., 45 High Street, Nashua, New Hampshire 03064, vendor number 155358, to provide housing services for persons with mental illness who are homeless or at risk of becoming homeless in Region 6 in an amount not to exceed \$2,385,760 effective July 1, 2013, through June 30, 2014. Funds are anticipated to be available in the following accounts in State Fiscal Year 2014 upon the availability and continued appropriation of funds in the future operating budget:

05-95-92-920010-5945 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS:
BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Activity Code</u>	<u>Totals</u>
2014	102-0731	Contracts for Program Services	92205945	\$1,553,560

05-95-92-920010-7010 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS:
BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, COMMTY MENTAL HEALTH SVCS

<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Activity Code</u>	<u>Totals</u>
2014	502-0891	Payments to Providers	92207010	\$832,200

Total	\$2,385,760
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Explanation

The community residential services included in this contract are not subject to competitive bidding because these services may only be provided by a Community Mental Health Provider who has entered into an interagency agreement under He-M 426.04 with a Community Mental Health Program designed under RSA 135-C:7 and approved under He-M 403. Harbor Homes, Inc. is the sole such provider.

The housing services provided in this contract are of two types. First, the contractor will operate 19 community residence beds licensed under Administrative Rule He-P 814 and certified under Administrative Rule He-M 1002. It is anticipated the contractor will serve approximately 19 individuals with severe mental illness; these services are reimbursed by Medicaid at a per diem rate of \$120.

Secondly, the contractor will continue operation of the Housing Bridge Subsidy Program, a highly successful program that uses general fund dollars to provide 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. The program will provide subsidies for an estimated 203 individuals, while prioritizing individuals at New Hampshire Hospital, Transitional Housing, and/or those being served by Assertive Community Treatment teams in the community who are homeless, or at risk of becoming homeless due to their economic circumstances, and/or individuals served by community mental health centers currently in community mental health community residences and ready to transition to the community.

Participants must continue to qualify for Section 8 assistance and meet program and income requirements for that program in order to be eligible. Additionally, program participants must have been determined eligible for community mental health services pursuant to He-M 401.

The Housing Bridge Subsidy Program is available on a statewide basis, and individuals choose a location of their preference. All of the individuals served are referred to local community mental health programs that will help support them in maintaining their apartment, preventing a further episode of homelessness, and achieving their independence and personal recovery goals.

Although Bureau of Behavioral Health and community mental health center staff work to link individuals served by the program to community mental health services, the support of the individual's rent is not contingent upon an acceptance of 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 Bureau of Behavioral Health is committed to performance-based contracts for all contractors. The Bureau has developed and continues to develop performance measures to assess the effectiveness and efficiency of community mental health programs in delivering services to persons with mental illness. Within the Scope of Services of this contract is a Memorandum of Understanding that lists performance domains and indicators that the contractor has agreed to pilot or continue piloting during fiscal year 2014. The domains included in the Memorandum of Understanding are Fiscal Domains. The purpose of the Memorandum of Understanding is to test performance standards that, in addition to standards being developed by the Bureau independent of this year's contract, shall be included in future contracts. This shall allow the Bureau to make improvements in the service delivery system and be vigilant in spending public funds. Additional performance domains and indicators shall be reviewed each year so that standards can be refined and improved for future contracts.

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.

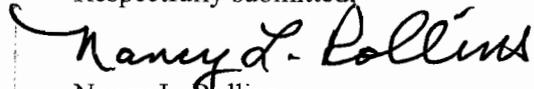
All residential and day programs are licensed/certified when required by State laws and regulations in order to provide for the life safety of the persons served in these programs. Copies of all applicable licenses/certifications are on file with the Department of Health and Human Services.

Should Governor and Council decide not to approve this request, individuals who are homeless and ready for discharge from an institution, or who are graduating or timing out of transitional housing would remain in their current and more costly environments without being able to return to the community of their choice and resume independent living.

Source of funds: 83% General Funds, 17% Federal Funds.

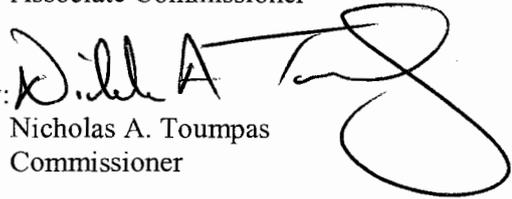
In the event that the Federal funds become no longer available, General Funds shall not be requested to support these programs.

Respectfully submitted,



Nancy L. Rollins
Associate Commissioner

Approved by:



Nicholas A. Toumpas
Commissioner

NLR/PBR/sl
FY14 G&C HH

Enclosures

Harbor Homes, Inc.

Communities Served:

Amherst
Brookline
Hollis
Hudson
Litchfield
Mason
Merrimack
Milford
Mont Vernon
Nashua

Community Mental Health Center

Establishment Dates

Region I

Northern Human Services
87 Washington Street
Conway NH 03818
03-03-71

Region II

West Central Services, Inc.
DBA West Central Behavioral Health
2 Whipple Place, Suite 202
Lebanon NH 03766
06-06-85
02-05-01
trade name

Region III

The Lakes Region Mental Health Center, Inc.
DBA GENESIS – Behavioral Health
111 Church Street
Laconia NH 03246
07-14-69
5-26-00
trade name

Region IV

Riverbend Community Mental Health, Inc.
5 Market Lane, PO Box 2032
Concord NH 03302-2032
03-25-66

Region V

Monadnock Family Services
64 Main Street, Suite 301
Keene NH 03431
03-05-24

Region VI

Community Council of Nashua, NH
DBA Greater Nashua Mental Health Center at
Community Council.
7 Prospect Street
Nashua NH 03060-3990
12-24-23
10-21-08
trade name

Harbor Homes, Inc.
45 High Street
Nashua NH 03060
02-15-80

Region VII

The Mental Health Center of Greater Manchester
401 Cypress Street
Manchester NH 03103-3628
10-17-60

Region VIII

Seacoast Mental Health Center, Inc.
1145 Sagamore Avenue
Portsmouth NH 03801
01-21-63

Region IX

Behavioral Health and Developmental Services
of Strafford County, Inc.
DBA Community Partners of Strafford County
Forum Court, 113 Crosby Road, Suite 1
Dover NH 03820
09-24-82
10-27-03
trade name

Region X

Mental Health Center for Southern NH
CLM Center for Life Management
44 Stiles Road
Salem NH 03079
05-06-81
10-27-99
non-profit

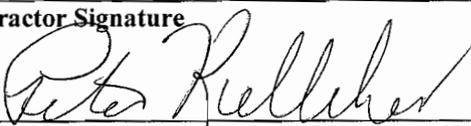
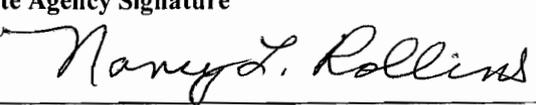
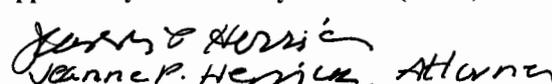
Subject: To Provide Housing Subsidies

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name DHHS - Division of Community Based Care Services Bureau of Behavioral Health		1.2 State Agency Address 105 Pleasant Street, Main Bldg. 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 603-881-8436	1.6 Account Number 05-95-92-920010-5945-102 05-95-92-920010-7010-502	1.7 Completion Date 06-30-14	1.8 Price Limitation \$2,385,760
1.9 Contracting Officer for State Agency Nancy L. Rollins, Associate Commissioner		1.10 State Agency Telephone Number (603) 271-5000	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter Kelleher, President & CEO	
1.13 Acknowledgement: State of <u>New Hampshire</u> , County of <u>Hillsborough</u> On <u>03-27-13</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] 			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Laurel Lefavor</u> <u>Notary Public</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Nancy L. Rollins, Assoc. Comm., Div. Community Based Svs	
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:  <u>Jeanne P. Hennis, Attorney</u> On: <u>21 Mar 2013</u>			
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: PK
Date: 3/21/13

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.

CERTIFICATE OF VOTE

I, Laurie Goguen, do hereby certify that:

1. I am the duly elected Clerk of Harbor Homes, Inc.
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on March 27, 2013.

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, concerning the following matter:

To Provide: Housing Subsidies

RESOLVED: That the **President** hereby is authorized on behalf of this Corporation 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 (s)he may deem necessary, desirable or appropriate.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of March 27, 2013.

4. Peter Kelleher is duly elected President of the Corporation.

(Seal)
(Corporation)

Laurie Goguen
(Signature of Board Secretary)

State of New Hampshire

County of Hillsborough

The foregoing instrument was acknowledged before me this 27th day of March, 2013

by Laurie Goguen

Laurel LeFavor
Name: Laurel LeFavor

Title: Notary Public/Justice of the Peace

(Seal)
(Notary Public)

Commission Expires: _____
LAUREL A. LEFAVOR, Notary Public
My Commission Expires September 22, 2015

FY 2014
EXHIBIT A
SCOPE OF WORK

The Contractor shall provide services that are intended to promote recovery from mental illness for eligible residents in the State of New Hampshire. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or Federal or State court orders may impact on the services described herein, the State has the right to modify service priorities and expenditure requirements under the Agreement so as to achieve compliance therewith.

The Commencement Date of this Agreement shall be July 1, 2013.

I. BEHAVIORAL HEALTH SERVICES & BRIDGE SUBSIDY PROGRAM

- A.** The Contractor shall provide community residential services in accordance with applicable federal and state law, including administrative rules and regulations.
- B.** The Contractor shall provide community residential services as defined in He-M 1002 to 19 persons residing at 3 Winter Street and 156 Chestnut Street in Nashua who are eligible under RSA 135-C:13 and He-M 401.
- C.** The establishment by the State of rates for services to be provided under this Agreement constitutes a determination that the fees charged by the Contractor are necessary to ensure a continuum of care and service to persons served by community mental health centers in accordance with RSA 126-A 3, III (d). However, no person determined eligible per Exhibit A., Section I., Paragraph B. shall be refused any of the services provided hereunder because of an inability to pay a fee.
- D.** The contractor shall continue to operate the Housing Bridge Subsidy Program according to guidelines set forth by the State. Monthly rental subsidies are capped at \$689 per month. Housing subsidies shall be provided only to individuals who have a severe mental illness and are eligible and on the waiting list for Section 8 vouchers. The contractor shall prioritize individuals at New Hampshire Hospital, the Transitional Housing Program, those being served by Assertive Community Treatment teams in the community who are homeless, or at risk of becoming homeless, and individuals served by community mental health centers who are currently in community mental health community residences and ready to transition to the community. The funding in this contract shall be used to extend subsidies for the 115 individuals currently in the program and for the addition of 100 others.
- E.** The Contractor shall provide services in accordance with the service projections set forth on the statistical pages immediately following Exhibit A. These service projections are based upon the needs of its consumers, taking into account the Contractor's caseload, available staffing and other resources, including the State funds that the Contractor expects to receive for the services to be performed under this Agreement.
- F.** In the event, therefore, that the State funds designated as the Price Limitation in Block 1.8. of the General Provisions, or the State funds allocated to the Contractor for its provision of Medicaid-reimbursable services, are materially reduced or suspended, the Bureau of Behavioral Health (BBH) shall provide prompt written notification to the Contractor of such material reduction or suspension.
- G.** In the event that the reduction or suspension in federal or state funding allocated to the Contractor by BBH will prevent the Contractor from providing necessary services to consumers, the Contractor shall develop a service reduction plan, detailing which necessary services will no longer be available.
- H.** Any plan devised pursuant to Subsection G., above, shall be submitted to BBH for review. BBH shall review the plan within ten (10) business days and shall approve the plan so long as the Contractor agrees

Contractor Initials: 
Date: 3/21/13

to make its best effort in the following areas:

1. Services to current eligible consumers will not be reduced unless the reduction in funds is directed toward a specific service or eligibility category;
 2. All new applicants for services will receive an evaluation and, if eligible, an individual service plan. The Contractor shall notify BBH of any necessary services which are unavailable;
 3. The Contractor shall continue to provide emergency services to all consumers;
 4. The Contractor shall serve individuals who meet the criteria for involuntary admission to a designated receiving facility; and
 5. The Contractor shall provide services to persons who are on a conditional discharge pursuant to RSA 135-C:50 and He-M 609.
- I. Except in situations covered by Sections F. and G., above, prior to the elimination of or a significant reduction in a program which delivers services contracted by BBH (as reflected in the statistical pages immediately following Exhibit A), the Contractor shall provide BBH with at least thirty (30) days written notice with an explanation of the programmatic and financial impact. The Contractor and BBH will consult and collaborate prior to such elimination or reduction in order to reach a mutually agreeable solution as to the most effective way to provide necessary services. In the event that BBH is not in agreement with such elimination or reduction prior to the proposed effective date, BBH may require the Contractor to participate in a mediation process with the Commissioner and invoke an additional thirty (30) day extension to explain the decision of its Board of Directors and continue dialogue on a mutually agreeable solution. If the parties are still unable to come to a mutual agreement within the thirty (30) day extension, the Contractor may proceed with its proposed program change so long as proper notification to eligible consumers has been provided. The Contractor shall not redirect Medicaid funds allocated in the budget for the program or service that has been eliminated or substantially reduced to another program or service without the mutual agreement of both parties. In the event that agreement cannot be reached, BBH shall control the expenditure of the unspent Medicaid funds.
- J. For all consumers eligible under He-M 401 that the Contractor has case management responsibilities for, the Contractor agrees to assure that applications for all appropriate sources of financial, medical, and housing assistance including but not limited to Medicaid, Medicare, Social Security Disability Income, Public Housing, and Section 8 subsidies are filed in a timely fashion.
- K. The Contractor shall not close the case of any of its consumers admitted to NHH. Notwithstanding the aforesaid, the Contractor shall be deemed to be in compliance with all He-M 408 rules if it is noted in the record that the consumer is an inpatient at NHH. All documentation requirements as per He-M 408 will be required to resume upon discharge from NHH. The Contractor shall participate in transitional and discharge planning.
- L. The Contractor agrees that it will perform, or cooperate with the performance of, such quality improvement and/or utilization review activities as are determined to be necessary and appropriate by BBH within timeframes specified by BBH in order to ensure the efficient and effective administration of the Medicaid program.
1. As part of the effort to insure quality services, BBH conducts annual reviews to ascertain that eligibility has been properly determined in accordance with He-M 401, "Eligibility Determination and Individual Service Planning." In the event that the annual review finds that 75% of the records examined are in compliance with the eligibility requirements of He-M 401, BBH shall refrain from conducting a review of eligibility determinations in the next year. Eligibility reviews will be conducted in the subsequent year. BBH will conduct such other quality assurance reviews as it deems necessary and appropriate.
- M. The Contractor agrees to submit to BBH data needed by BBH to comply with federal reporting requirements.
- N. For the purpose of this Agreement, the phrase "funds provided pursuant to this Agreement," "State

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Funds” or other similar phrases throughout this Agreement and the exhibits thereto shall include all state general funds, including the State’s share of Medicaid, provided to the Contractor, as well as all federal grant funds allocated by BBH to the provider, along with any prior years state and/or federal funds deferred to the current year with BBH approval.

II. MEMORANDUM OF UNDERSTANDING

- A. Attached to this Agreement is a Memorandum of Understanding (MOU) that lists the Performance Domains and Indicators that the Contractor has agreed to pilot or continue piloting in state fiscal year 2014.

FY14 EXHIBIT A Harbor Homes, Inc.

Contractor Initials: 
Date: 3/27/13

Memorandum of Understanding

This Memorandum of Understanding (MOU) sets forth the Agreement between the undersigned parties, the Bureau of Behavioral Health (BBH) and **Harbor Homes, Inc.**, the Contractor, regarding the Performance Domains and Indicators the Contractor will pilot or continue to pilot, during state fiscal year 2014. Pursuant to this MOU the Contractor will cooperate with BBH in measuring the Contractor's performance in accordance with Standards set forth in Section I. & II. of this MOU. Pursuant to Section III. of this MOU, BBH will not assess any penalties against the Contractor or terminate this Agreement for non-compliance with the Standards set forth in Section I. & II. of this MOU, provided that the non-compliance does not endanger the health, safety or welfare of the consumers or the public. Furthermore, the result of these indicators shall not be made public without written agreement of both parties, subject to RSA 91-A. BBH agrees to notify the Contractor in the event that a request for information is received under RSA 91-A. If during the term of this Agreement, the Contractor is out of compliance with any of the Performance Standards set forth in the MOU, BBH will assist the Contractor in evaluating the circumstances resulting in lack of compliance. The Contractor may agree to work with BBH to develop solution plans as set forth in the MOU to assist the Contractor in achieving compliance. This MOU will undergo continued refinement during the fiscal year and may be changed based on mutual agreement of both parties.

I. PERFORMANCE DOMAINS

A. FISCAL DOMAIN

To assist BBH in evaluating the Contractor's fiscal integrity, the Contractor agrees to submit to BBH monthly, the Balance Sheet and Profit and Loss Statements for the agency and all related parties that are under the Parent Corporation of the mental health provider organization. These statements shall be individualized by providers, as well as a consolidated (combined) statement that includes all subsidiary organizations.

1. Days of Cash on Hand

Definition: The days of operating expenses that can be covered by the unrestricted cash on hand.
Formula: Cash and cash equivalents divided by total expenditure divided by days in the reporting period.
Performance Standard: The Contractor shall have enough cash and cash equivalents to cover expenditures for a minimum of fifteen (15) business days with no variance allowed.

2. Current Ratio

Definition: A measure of the Contractor's total current assets available to cover the cost of current liabilities.
Formula: Total current assets divided by total current liabilities.
Performance Standard: The Contractor shall maintain a minimum current ratio of 1.1:1.0. with no variance allowed.

3. Medicaid Days in Accounts Receivable

Rationale: Medicaid is the primary payor for most CMHCs. The number of days it takes to collect this revenue has a major impact on the Contractor's ability to meet expenses.
Definition: The number of days (on average) it takes the Contractor to collect Medicaid.
Formula: Total Medicaid account receivable divided by net Medicaid charges divided by the number of days in the reporting period.
Source of Data: The Contractor shall submit to BBH monthly, a breakdown of accounts receivables within their balance sheet, and net Medicaid charges on the profit & loss statement.
Performance Standard: The Contractor shall maintain a standard maximum of forty (40) days with a 20% variance allowed.

4. Debt Service Coverage Ratio

Rationale: This ratio illustrates the Contractor's ability to cover the cost of their current portion

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of their long-term debt.

Definition: The ratio of Net Income to the total annual debt service.

Formula: Net Income plus Depreciation Expense plus Interest Expense divided by total annual debt service (principal and interest).

Source of Data: The Contractor's Monthly Financial Statements identifying current portion of long-term debt payments (principal and interest).

Performance Standard: The Contractor shall maintain a minimum standard of 1.2:1 with no variance allowed.

5. Net Assets to Total Assets

Rationale: This ratio is an indication of the Contractor's ability to cover their liabilities.

Definition: The ratio of the Contractor's net assets to total assets.

Formula: Net assets (total assets less total liabilities) divided by total assets.

Source of Data: The Contractor's Monthly Financial Statements.

Performance Standard: The Contractor shall maintain a minimum ratio of .30:1, with a 20% variance allowed.

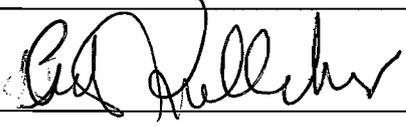
II. ADMINISTRATIVE COSTS

The Contractor agrees to make a good faith effort to establish administrative costs that are below 12% of the direct service costs.

III. REMEDIATION PROCESS

A. Remediation Process for Fiscal Domain

1. BBH may request a corrective action plan from the Contractor in which a negative variance greater than allowed occurs in three (3) or more fiscal indicators.
2. If BBH requests a corrective action plan, the Contractor shall submit a corrective action plan to BBH no later than thirty (30) days from BBH's request.
3. Within thirty (30) days of receipt, BBH shall review and respond to the corrective action plan, and may request additional information.
4. Timeliness for improvement and reporting requirements shall then be negotiated between the Contractor and BBH.

Agency: <i>Harbor Homes, Inc.</i>	State of NH: DHHS/Division of Community Based Care Services <i>The Bureau of Behavioral Health</i>
Name/Title: <i>Peter Kelleher, President & CEO</i>	Name/Title: Nancy L. Rollins, Associate Commissioner
Signature 	Signature 
Date <i>3/27/13</i>	Date <i>5/8/13</i>

FY14 SCOPE OF SERVICE REPORT

AGENCY: Harbor Homes Inc.

DATE PREPARED: 04/04/2013

PREPARED BY: ANA PANCINE

Type	Cost Center Number	PROGRAM NAME	PHOENIX INPUT AGENCY NUMBER(S)	Location	CASELOAD/CAPACITY	SUBCONTRACTED YES / NO / PARTIALLY	START DATE	DATE OF SERVICE COMPLETION
COMMUNITY RESIDENCE	122	Winter Street		3 Winter Street, Nashua NH	9	NO	07/1/13	06/30/14
COMMUNITY RESIDENCE	222	Chestnut Street		156 Chestnut Street, Nashua NH	10	NO	07/1/13	06/30/14
INDEPENDENT HOUSING	124	Bridge Subsidy Program		Various Locations	203	NO	07/1/13	06/30/14

PART IIIA: Program Information - Clients Served

Harbor Homes, Inc.

Name of Agency

FY2014 4th Quarter

Reporting Period (Year/quarter)

	116 Crisis/ Respite	118 APRTP	122 #1	Community Residence (by location)			422 #4	C.R. Total	123 Supportive Living	223 Supportive Living	124 Independent Housing	Total for All Housing
				222 #2	322 #3	322 #3						
Number served YTD												
1) SPMI			10	11			21					21
2) SMI							0					
3) Low Utilizer							0					
4) Non Eligible Adults							0	155				155
5) Children SED							0					
6) Children SED Interagency							0					
7) Non-Eligible Children							0		55			55
8) Total Unduplicated numbers served YTD (Please enter your unduplicate totals)			10	11			21	210				231
9) Number of Clients/ beginning of quarter			9	10			19	203				222
10) Number of Admissions/ current quarter			1	1			2	7				9
11) Number discharged/ current quarter			1	1			2	7				9
12) Number of clients in residence at end of current quarter			9	10			19	203				222

PART IIIB: Program Information: Potential/Total Client Days

Harbor Homes, Inc.

Name of Agency

FY2014 4th Quarter

Reporting Period (year/quarter)

	116 Crisis/ Respite	118 APRTP	Community Residence (by location)				C.R. Total	123 Supportive Living	223 Supportive Living	124 Independent Housing	Total
			122 #1	222 #2	322 #3	422 #4					
1) Number of locations			1	1		2	203			205	
2) Number of beds available			9	10		19	203			222	
3) Potential Client Days YTD											
Client Days YTD			3,285	3,650		6,935	74,095			81,030	
4) SPMI			3,121	3,468		6,589				6,589	
5) SMI											
6) Low Utilizer											
7) Non Eligible Adults											
8) Children SED											
9) Children SED Interagency											
10) Non -Eligible Children											
11) Total Days/Units YTD (add #s 4-10)	0	0	3,121	3,468	0	6,589	70,390	0	0	76,979	

(FSS Units on top, client days on bottom for Crisis/Respite & APRTP. Supportive Living & Independent Housing report Units only as we will be able to determine days from Phoenix. For Community Residence report day only)

FY 2014
EXHIBIT C
SPECIAL PROVISIONS

These Provisions expand upon the General Provisions [Form P-37] of this Agreement.

- A.** Add the following regarding "Contractor Name" to Paragraph 1.:
- 1.3.1.** The term "Contractor" includes all persons, natural or fictional, which are controlled by, under common ownership with, or are an affiliate of, or are affiliated with an affiliate of the entity identified as the Contractor in Paragraph 1.3. of the General Provisions of this Agreement whether for-profit or not-for-profit.
- B.** Add the following regarding "Compliance by Contractor with Laws and Regulations: Equal Employment Opportunity" to Paragraph 6.:
- 6.4.** The Contractor shall comply with Title II of P.L. 101-336 - the Americans with Disabilities Act of 1990 and all applicable Federal and State laws.
- C.** Add the following regarding "Personnel" to Paragraph 7.:
- 7.4.** Personnel records and background information relating to each employee's qualifications for his or her position shall be maintained by the Contractor for a period of seven (7) years after the Completion Date and shall be made available to The Bureau of Behavioral Health (BBH) upon request.
- 7.5.** No officer, director or employee of the Contractor, and no representative, officer or employee of BBH shall participate in any decision relating to this Agreement or any other activity pursuant to this Agreement which directly affects his or her personal or pecuniary interest, or the interest of any corporation, partnership or association in which he or she is directly or indirectly interested, even though the transaction may also seem to benefit any party to this Agreement, including the Contractor or BBH. This provision does not prohibit an employee of the Contractor from engaging in negotiations with the Contractor relative to the salary and wages that he or she receives in the context of his or her employment.
- 7.5.1.** Officers and directors shall act in accord with their duty of loyalty to the organizations they represent and shall avoid self-dealing and shall participate in no financial transactions or decisions that violate their duty not to profit.
- 7.5.2.** Officers and directors shall act in accord with their fiduciary duties and shall actively participate in the affairs of their organization in carrying out the provisions of this Agreement.
- 7.5.3.** All financial transactions between board members and the organization they represent shall conform to applicable New Hampshire law.
- D.** Replace Subparagraphs 8.1. through 8.1.3., and add Subparagraphs 8.1.4. through 8.1.10. regarding "Event of Default, Remedies" with the following:
- 8.1.** Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
- 8.1.1.** Failure to perform the services satisfactorily or on schedule during the Agreement term;
- 8.1.2.** Failure to submit any report or data within requested timeframes or comply with any record keeping requirements as specified in this Agreement;
- 8.1.3.** Failure to impose fees, to establish collection methods for such fees or to make a reasonable effort to collect such fees;
- 8.1.4.** Failure to either justify or correct material findings noted in a BBH financial review;
- 8.1.5.** Failure to comply with any applicable rules of the Department;
- 8.1.6.** Failure to expend funds in accordance with the provisions of this Agreement;
- 8.1.7.** Failure to comply with any covenants or conditions in this Agreement;
- 8.1.8.** Failure to correct or justify to BBH's satisfaction deficiencies noted in a quality assurance report;
- or
- 8.1.9.** Failure to obtain written approval in accordance with General Provisions, Paragraph 12. before

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executing a Sub-Contract or assignment.

E. Add the following regarding "Event of Default, Remedies" to Subparagraph 8.2.:

8.2.5. Reduce or eliminate certain funded services and withhold any funds related to the provision of those services.

F. Add the following regarding "Event of Default, Remedies" to Paragraph 8.:

8.3. Upon termination, the Contractor shall return to BBH all unencumbered program funds in its possession. BBH shall have no further obligation to provide additional funds under this Agreement upon termination.

G. Add the following regarding "Data: Access, Confidentiality, Preservation" to Paragraph 9.:

9.4. The Contractor shall maintain detailed client records, client attendance records specifying the actual services rendered and the categorization of that service into a program/service as defined in the budget instructions and accounting guidelines and statistical reporting form instructions as specified in Exhibits A and C. Except for disclosures required or authorized by law or pursuant to this Agreement, the Contractor shall maintain the confidentiality of, and shall not disclose, clinical records, data and reports maintained in connection with services performed pursuant to this Agreement, however, the Contractor may release aggregate information relating to programs generally.

9.5. The Contractor shall submit to BBH all reports as requested by BBH in electronic format on such schedule that BBH shall request. These submissions shall be complete, accurate, and timely. These reports shall include data from Sub-Contractors. All submissions are due within thirty (30) days of the end of the reporting period.

9.5.1. For fiscal reports, the Contractor shall submit within thirty (30) days after the end of each month a Balance Sheet and a Profit/Loss Statement. Contractors shall also submit quarterly reports, including: Quarterly Functional Revenues and Expenses Report, Quarterly Statistical Reports, a Cash Flow Statement, and a Line of Credit Statement in the specified electronic format as prescribed by BBH. All quarterly reports are due within thirty (30) days of the end of the reporting period.

9.5.1.1. The monthly Balance Sheet and Profit & Loss Statements as well as the Quarterly Functional Revenues and Expenses Report and all other financial reports shall be based on the accrual method of accounting and include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this Agreement.

9.5.1.2. The Functional Revenues and Expenses Report shall follow the same format of cost centers and line items as included in the Budget Form A attached to this Contract. However, if Contract cost centers are a combination of several local cost centers, the latter shall be displayed separately so long as the cost center code is unchanged.

9.5.1.3. The Quarterly Statistical Report shall include:

9.5.1.3.1. Agency admission and client demographic information;

9.5.1.3.2. Number of adults, and units of services delivered in state-supported programs;

9.5.1.3.3. Units of service and days of service for adults in state-funded programs;

9.5.1.3.4. Number of children, and units of services delivered in state-supported programs;

9.5.1.3.5. Units of service and days of service for children in state-funded programs;

9.5.1.3.6. Specialized units of service for adults and children; and

9.5.1.3.7. Housing programs – total clients served, days, and units.

9.5.1.4. The Contractor shall maintain detailed fiscal records meeting all the requirements specified in the budget instructions and accounting guidelines. Such fiscal records shall be supported by program reports. Fiscal records shall be retained for seven years after the completion date and thereafter if audit observations have not been resolved to the State's satisfaction.

9.5.1.5. The Contractor shall submit to BBH financial statements in a format in accordance with the American Institute of Certified Public Accountants Guidelines together with a management letter, if issued, by a Certified Public Accountant for any approved Sub-Contractor, or any person, natural or fictional, which is controlled by, under common ownership with or an affiliate of the Contractor. In the event that the said audited financial statement and management letter are unavailable or incomplete, the Contractor shall have one hundred twenty-three (123) days to complete and submit said statement and letter to BBH.

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9.5.1.6. On or before November 1, 2013, the Contractor shall deliver to BBH, 105 Pleasant Street, Concord NH 03301, an independent audit of the Contractor for fiscal year 2013, including the funds received under the fiscal year 2013 Agreement.

9.5.1.7. If the federal funds expended under this or any other Agreement from any and all sources exceeds five hundred thousand dollars (\$500,000) in the aggregate in a one (1) year period the required audit shall be performed in accordance with the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations for fiscal years ending on or after December 31, 2003.

9.5.2. For the mental health data extraction project the Contractor agrees to participate in and cooperate with BBH in obtaining data necessary as defined by the data extraction workgroup. Data will at a minimum support completion of federal Block Grant requirements.

9.5.3. For required federal reports, the Contractor shall:

9.5.3.1. Cooperate with data requests from the Substance Abuse and Mental Health Services Administration (SAMHSA), US Department of Health and Human Services and adhere to the timelines required by SAMHSA;

9.5.3.2. Unless the following data is collected by a BBH contracted vendor, the Contractor shall select a statistically valid random sample of consumers including elders, adults, children/ adolescents and their families, and administer the federally standardized Consumer Satisfaction Surveys to the selected sample of consumers on or before June 30th of each fiscal year; and

9.5.3.3. Submit to BBH all reasonable additional reports and data files as requested on such schedule and in such electronic format that BBH shall request. These reports, similar to the reports outlined above, shall include data from Sub-Contractors.

9.5.3.4. The Contractor agrees to submit to BBH reports on high profile and sentinel events in accordance with Division of Community Based Care Services policy.

H. Add the following regarding "Termination" to Paragraph 10.:

10.1. In the event of termination under Paragraph 10., of these General Provisions the approval of a Termination Report by BBH shall entitle the Contractor to receive that portion of the Price Limitation earned to and including the date of termination. The Contractor's obligation to continue to provide services under this Agreement shall cease upon termination by BBH.

10.2. In the event of termination under Paragraph 10., of the General Provisions of this Agreement, the approval of a Termination Report by BBH shall in no event relieve the Contractor from any and all liability for damages sustained or incurred by BBH as a result of the Contractor's breach of its' obligations hereunder.

10.3. The Contractor shall notify BBH if it expects to be generally unable to provide services as the result of a natural disaster, dissolution, bankruptcy, a financial crisis or similar occurrence. In such event, or in the event that BBH has given the Contractor written notice of its intent to terminate the Contractor under Paragraph 10 of these General Provisions on account of such circumstances, the Contractor agrees to collaborate and cooperate with the Bureau and other community mental health programs to ensure continuation of necessary services to eligible consumers during a transition period, recovery period or until a contract with a new provider can be executed. Such cooperation and collaboration may include the development of an interim management team, the provision of direct services and taking other actions necessary to maintain operations.

10.4. The parties agree to negotiate in good faith a new contract, or amendment to the current contract, as appropriate, in order to implement the Payment and System Reform Initiative if approved by the Centers for Medicare and Medicaid Services as a 1915(b) Medicaid waiver.

I. Replace Paragraph 12. entitled "Assignment, Delegation and Sub-Contracts" with the following:
ASSIGNMENTS, SUB-CONTRACTS, MERGER AND SALE.

12.1. The Contractor shall not delegate or transfer any or all of its interest in this Agreement or enter into any Sub-Contract for direct services to clients in an amount exceeding ten thousand dollars (\$10,000) without the prior written consent of BBH. As used in this Paragraph, "Sub-Contract" includes any oral or written Agreement entered into between the Contractor and a third party that obligates any State funds provided pursuant to this Agreement to the Contractor under this Agreement. BBH approval of the Contractor's proposed budget shall not relieve the Contractor from the obligation of obtaining BBH's written approval where any assignment or Sub-Contract has not been included in the Contractor's proposed budget. The Contractor shall submit the written Sub-

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Contract or assignment to BBH for approval and obtain BBH's written approval before executing the Sub-Contractor assignment. This approval requirement shall also apply where the Contractor's total Sub-Contracts with an individual or entity equal, or exceed ten thousand dollars (\$10,000) in the aggregate. Failure of BBH to respond to the approval request within thirty (30) business days shall be deemed approval.

12.2. The Contractor further agrees that no Sub-Contract or assignment for direct services to clients, approved by BBH in accordance with this Paragraph, shall relieve the Contractor of any of its obligations under this Agreement and the Contractor shall be solely responsible for ensuring, by Agreement or otherwise, the performance by any Sub-Contractor or assignee of all the Contractor's obligations hereunder. Contractor will require at least annually a third party independent audit of all Sub-Contractors of direct service to clients and will monitor audits to ensure that all Sub-Contractors are meeting the service requirements established by BBH for the Contractor in Exhibit A. Contractor will notify BBH within ten (10) business days of any service requirement deficiencies and provide a corrective action plan to address each deficiency.

12.3. The purchase of the Contractor by a third party, or the purchase of all or substantially all of the Contractor's assets by a third party, or any other substantial change in ownership, shall render BBH's obligations under this Agreement null and void unless, prior to the sale of the Contractor, or sale of all or substantially all of the Contractor's assets, or other substantial change in ownership, BBH approves in writing the assignment of this Agreement to the third party. In the event that, prior to the sale of the Contractor, BBH approves the assignment of the Agreement, the third party shall be bound by all of the provisions of this Agreement to the same extent and in the same manner as was the Contractor.

12.4. Any merger of the Contractor with a third party shall render BBH's obligations under this Agreement null and void unless, prior to the merger, BBH approves in writing the assignment of this Agreement to the merged entity. In the event that, prior to the merger of the Contractor with the third party, BBH approves the assignment of the Agreement, the merged entity shall be bound by all of the provisions of this Agreement to the same extent and in the same manner as was the Contractor.

12.5. In the event that through sale, merger or any other means the Contractor should become a subsidiary corporation to another corporation or other entity, BBH's obligations under this Agreement shall become null and void unless, prior to such sale, merger or other means, BBH shall agree in writing to maintain the Agreement with the Contractor. Should BBH agree to maintain the Agreement the Contractor shall continue to be bound by all of the provisions of the Agreement.

J. Renumber Paragraph 13. regarding "Indemnification" as 13.1. and add the following to Paragraph 13.:

13.2. The Contractor shall promptly notify the Bureau Administrator of BBH of any and all actions or claims related to services brought against the Contractor, or any Sub-Contractor approved under Paragraph 12. of the General Provisions, or its officers or employees, on account of, based on, resulting from, arising out of or which may be claimed to arise out of their acts or omissions.

K. If the Price Limit in Paragraph 1.8., of the General Provisions is greater than two hundred fifty thousand dollars (\$250,000), replace Paragraph 14.1.1. with the following:

14.1.1. Comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than two million dollars (\$2,000,000) per claim or occurrence; and

L. Add the following regarding "Insurance and Bond" to Paragraph 14.:

14.1.3. A fidelity bond, covering the activities of all the Contractor's employees or agents with authority to control or have access to any funds provided under this Agreement in an amount equal to 1/12th of the Price Limitation in Paragraph 1.8. of the General Provisions plus 1/12th of the Contractor's budgeted Medicaid revenue;

14.1.4. Professional malpractice insurance covering all professional and/or licensed personnel engaged in the performance of the services set forth in Exhibit A; and

14.1.5. Tenant's or homeowner's insurance coverage for all housing owned or operated by the Contractor for claims of personal injury or death or damage to property in reasonable amounts satisfactory to BBH and any mortgagee.

14.4. The maintenance of insurance by the Contractor pursuant to this Paragraph shall not be construed in any manner as a waiver of sovereign immunity by the State, its officers and employees in any regard, nor is the existence of said insurance to be construed as conferring or intending to confer any benefit upon a third person or per-

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sons not party to this Agreement.

M. Add the following regarding "Special Provisions" to Paragraph 22.:

22.1. Federal funds to assist homeless mentally ill persons (PATH) shall not be used:

22.1.1. To provide inpatient services;

22.1.2. To make cash payments to intended recipients of health services;

22.1.3. To purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility or purchase any major medical equipment;

22.1.4. To satisfy any requirement for the expenditure of non Federal funds as a condition of a receipt of Federal funds; or

22.1.5. To provide services to persons at local jails or any correctional facility.

22.2. If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with the provisions of Section 319 of the Public Law 101-121, Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions; with the provisions of Executive Order 12549 and 45 CFR Subpart A, B, C, D, and E Section 76 regarding Debarment, Suspension and Other Responsibility Matters, and shall complete and submit to the State the appropriate certificates of compliance upon approval of the Agreement by the Governor and Council.

22.3. In accordance with the requirements of P.L. 105-78, Section 204, none of the funds appropriated for the National Institutes of Health and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of one hundred and twenty-five thousand dollars (\$125,000) per year.

22.4. The Contractor agrees that prior contracts with the State have purported to impose conditions upon the use and/or disposition of real property which is presently owned by the Contractor and which was purchased with State funds, as defined in those contracts.

22.5. Notwithstanding those prior contracts, BBH agrees that the State has no interest in the Contractor's real property that has been donated to the Contractor by parties other than the State or purchased by the Contractor using funds donated exclusively by parties other than the State.

22.6. In the event that the Contractor hereafter proposes to dispose of any of its existing real property, other than property described in Paragraph 20.5., having a then fair market value of fifty thousand dollars (\$50,000) or more, the Contractor agrees to notify BBH in advance. The Contractor shall provide BBH with a written plan of disposition that includes:

22.6.1. The identity of the party to whom the property is to be sold or otherwise transferred;

22.6.2. The consideration, if any, to be paid;

22.6.3. The use to which the transferred property is to be put by the transferee;

22.6.4. The use to which the proceeds of the disposition, if any, are to be put by the Contractor; and

22.6.5. Any documentation of specific restrictions that may exist with respect to the use or disposition of the property in question.

22.7. BBH shall evaluate the plan to determine whether the property, or the proceeds of its disposition, if any, will be used for the benefit of persons eligible for State mental health services, as defined in this Agreement. If BBH finds that eligible persons will probably benefit, BBH shall approve the disposition. If BBH finds that eligible persons probably will not benefit, BBH may disapprove the disposition. Failure by BBH to disapprove a plan of disposition within thirty (30) days (unless extended by written agreement of the parties) shall be deemed an approval thereof.

22.8. In the event that BBH does not approve of the disposition, the Contractor and BBH shall meet in a good faith effort to reach a compromise.

22.9. In the event that the parties cannot resolve their differences, the Contractor shall not execute its plan of disposition unless and until it shall have secured the approval of the Probate Court for the county in which the Contractor's principal office is located. In the event that the Contractor brings an action for Probate Court approval, BBH and the Director of the Division of Charitable Trusts shall be joined in such action as necessary parties.

22.10. Neither the existence of this Agreement, nor the relationship of the parties, nor the provision by the State of money to the Contractor pursuant to this Agreement or otherwise shall impose any conditions upon the use or disposition of real property acquired hereafter by the Contractor. Such conditions, if any, shall arise only by a separate, express written agreement of the parties.

Contractor Initials: *pk*

Date: 3/27/13

22.11. The terms and conditions of this section shall survive the term of expiration of this Agreement.

22.12. The requirement of Paragraph 12.1. of this Exhibit that the Contractor or approved Sub-Contractor shall receive the prior written approval of BBH shall apply only to actions taken which occur subsequent to the Effective Date of this Agreement.

22.13. The Contractor agrees that it is a breach of this Agreement 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 Agreement. The State may terminate this Agreement and any Sub-Contractor 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.

FY14 Exhibit C Harbor Homes, Inc.

Contractor Initials: 
Date: 3/27/13

NH Department of Health and Human Services

STANDARD EXHIBIT D

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

- (A) The grantee certifies that it will or will continue to provide a drug-free workplace by:
- (a) 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;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

Contractor Initials: XK
Date: 3/27/13

- (c) 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);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - (1) Abide by the terms of the statement; and
 - (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;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted
 - (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
 - (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;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

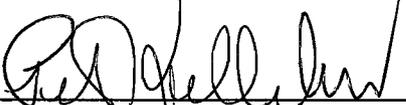
(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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.

Harbor Homes, Inc. From: 7/1/2013 To: 6/30/2014
 (Contractor Name) (Period Covered by this Certification)

Peter Kelleher, President & CEO
 (Name & Title of Authorized Contractor Representative)

 3/27/13
 (Contractor Representative Signature) (Date)

Contractor Initials: PK
 Date: 3/27/13

NH Department of Health and Human Services

STANDARD EXHIBIT E

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

Contract Period: 07-01-13 through 06-30-14

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

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

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

[Handwritten Signature]

(Contractor Representative Signature)

Peter Kelleher, President & CEO

(Authorized Contractor Representative Name & Title)

Harbor Homes, Inc.

(Contractor Name)

3/27/13

(Date)

Contractor Initials: [Handwritten Initials]

Date: 3/27/13

NH Department of Health and Human Services
STANDARD EXHIBIT F
CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless _____ authorized _____ by _____ DHHS.

Contractor Initials: 

Date: 3/27/13

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) 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;
 - (c) 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 (1)(b) of this certification; and
 - (d) 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.
- (2) 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).

Contractor Initials: *RC*

Date: 3/27/13

LOWER TIER COVERED TRANSACTIONS

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:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) 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).

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 Representative Signature)

Peter Kelleher, President & CEO

(Authorized Contractor Representative Name & Title)

Harbor Homes, Inc.

(Contractor Name)

3/27/13

(Date)

Contractor Initials: PK

Date: 3/27/13

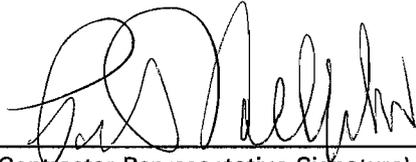
NH Department of Health and Human Services

STANDARD EXHIBIT G

CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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



(Contractor Representative Signature)

Peter Kelleher, President & CEO

(Authorized Contractor Representative Name & Title)

Harbor Homes, Inc.

(Contractor Name)

3/27/13

(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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



(Contractor Representative Signature)

Peter Kelleher, President & CEO

(Authorized Contractor Representative Name & Title)

Harbor Homes, Inc.

(Contractor Name)

3/27/13

(Date)

Contractor Initials: 

Date: 3/27/13

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. **Segregation.** If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. **Survival.** Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

NH DHHS, Div of Community Based Care Services
Bureau of Behavioral Health

The State Agency Name

Harbor Homes, Inc.

Name of the Contractor

Nancy L. Rollins

Signature of Authorized Representative

Peter Kelleher

Signature of Authorized Representative

Nancy L. Rollins

Name of Authorized Representative

Peter Kelleher

Name of Authorized Representative

Associate Commissioner

Title of Authorized Representative

President & CEO

Title of Authorized Representative

5/8/13

Date

3/27/13

Date

NH Department of Health and Human Services

STANDARD EXHIBIT J

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

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

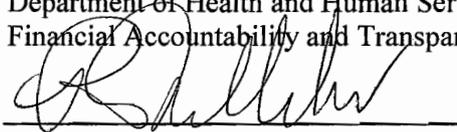
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

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

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



Peter Kelleher, President & CEO

(Contractor Representative Signature)

(Authorized Contractor Representative Name & Title)

Harbor Homes, Inc.

3/27/13

(Contractor Name)

(Date)

Contractor initials: 
Date: 3/27/13
Page # _____ of Page # _____

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

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

1. The DUNS number for your entity is:

13-1864357

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

NO

YES

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

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

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

NO

YES

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

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

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

Name: _____

Amount: _____

Contractor initials: PK
Date: 3/27/13
Page # _____ of Page # _____



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

We have audited the accompanying statement of financial position of Harbor Homes, Inc., a (nonprofit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows, for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc., as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated January 8, 2013 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2012 on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Melanson Heath + Company P.C.
Nashua, New Hampshire
September 10, 2012

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2012

	HUD I Program	HUD VI Program	Program Operations	Total
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 10,581	\$ 99	\$ 778,900	\$ 789,580
Accounts receivable, net of allowance for uncollectible accounts	2,274	8,151	735,916	746,341
Promises to give	-	-	25,000	25,000
Due from HUD Programs	-	-	349	349
Due from related organizations	-	-	115,338	115,338
Prepaid expenses	-	-	4,839	4,839
Total Current Assets	<u>12,855</u>	<u>8,250</u>	<u>1,660,342</u>	<u>1,681,447</u>
Property and Equipment, net of accumulated depreciation	78,478	307,862	13,093,058	13,479,398
Non-current Assets:				
Restricted deposits and funded reserves	89,404	60,855	125,868	276,127
Due from HUD Programs	-	-	64,302	64,302
Due from related organizations	-	-	340,861	340,861
Beneficial interest	-	-	116,175	116,175
Total Non-current Assets	<u>89,404</u>	<u>60,855</u>	<u>647,206</u>	<u>797,465</u>
Total Assets	<u>\$ 180,737</u>	<u>\$ 376,967</u>	<u>\$ 15,400,606</u>	<u>\$ 15,958,310</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable	\$ 2,179	\$ 455	\$ 287,678	\$ 290,312
Accrued and other liabilities	1,450	6,031	370,714	378,195
Due to program operations	349	-	-	349
Due to related organizations	-	-	98,707	98,707
Line of credit	-	-	809,999	809,999
Current portion of mortgages payable	11,689	3,931	187,232	202,852
Total Current Liabilities	<u>15,667</u>	<u>10,417</u>	<u>1,754,330</u>	<u>1,780,414</u>
Long Term Liabilities:				
Due to program operations	-	64,302	-	64,302
Due to related organizations	-	-	75,000	75,000
Security deposits	2,125	798	37,642	40,565
Mortgages payable, tax credits	-	-	184,497	184,497
Mortgages payable, net of current portion	176,441	238,496	5,156,420	5,571,357
Mortgages payable, deferred	-	-	4,706,134	4,706,134
Total Long Term Liabilities	<u>178,566</u>	<u>303,596</u>	<u>10,159,693</u>	<u>10,641,855</u>
Total Liabilities	194,233	314,013	11,914,023	12,422,269
Unrestricted Net Assets (Deficit):				
HUD programs	(13,496)	62,954	-	49,458
Program operations	-	-	3,462,173	3,462,173
Temporarily Restricted Net Assets	-	-	24,410	24,410
Total Net Assets (Deficit)	<u>(13,496)</u>	<u>62,954</u>	<u>3,486,583</u>	<u>3,536,041</u>
Total Liabilities and Net Assets	<u>\$ 180,737</u>	<u>\$ 376,967</u>	<u>\$ 15,400,606</u>	<u>\$ 15,958,310</u>

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2012

	Unrestricted Net Assets			Temporarily Restricted Net Assets	Total
	HUD I Program	HUD VI Program	Program Operations		
<u>Public Support and Revenue:</u>					
<u>Public Support:</u>					
Federal grants	\$ -	\$ -	\$ 2,455,999	\$ -	\$ 2,455,999
State, local, and other grants	-	-	429,466	-	429,466
Donations in-kind	-	-	179,906	-	179,906
Donations	-	-	86,202	9,500	95,702
Net assets released from restriction	-	-	5,291	(5,291)	-
Total Public Support	-	-	3,156,864	4,209	3,161,073
<u>Revenue:</u>					
Department of Housing and Urban Development	85,521	6,737	2,441,785	-	2,534,043
Veterans Administrative grants	-	-	978,269	-	978,269
Medicaid - Federal and State	-	-	825,432	-	825,432
<u>Client fees:</u>					
Rent and service charges, net	26,702	1,600	293,382	-	321,684
Food and common area fees	-	-	67,200	-	67,200
Outside rent	-	-	170,600	-	170,600
Miscellaneous	-	85,883	8,119	-	94,002
Employment projects	-	-	66,621	-	66,621
Sliding fee and free care	-	-	20,531	-	20,531
Medicare revenue	-	-	5,036	-	5,036
Fundraising revenue	-	-	13,124	-	13,124
Gain on disposal of fixed assets	-	-	7,500	-	7,500
Management fees	-	-	2,805	-	2,805
Interest	96	-	265	-	361
Unrealized gain/(loss)	-	-	(966)	-	(966)
Bad debts	-	-	(49,404)	-	(49,404)
Total Revenue	112,319	94,220	4,850,299	-	5,056,838
Total Public Support and Revenue	112,319	94,220	8,007,163	4,209	8,217,911
<u>Expenses:</u>					
Program	86,600	29,935	7,081,082	-	7,197,617
Administration	13,573	1,331	1,047,065	-	1,061,969
Fundraising	-	-	183,057	-	183,057
Total Expenses	100,173	31,266	8,311,204	-	8,442,643
Change in net assets	12,146	62,954	(304,041)	4,209	(224,732)
Net Assets (Deficit), Beginning of Year	(25,642)	-	3,766,214	20,201	3,760,773
Net Assets (Deficit), End of Year	\$ (13,496)	\$ 62,954	\$ 3,462,173	\$ 24,410	\$ 3,536,041

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2012

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Accounting fees	\$ -	\$ 34,433	\$ -	\$ 34,433
Advertising and printing	6,456	187	4,958	11,601
Client services and assistance	29,962	9	-	29,971
Client transportation	19,814	32	683	20,529
Conference and conventions	18,701	19,393	161	38,255
Contract labor	61,709	13,868	-	75,577
Employee benefits	499,946	151,283	20,859	672,088
Enabling services	3,380	-	-	3,380
Equipment rental	1,351	4,127	-	5,478
Food	59,553	-	-	59,553
Garbage and trash removal	11,876	2,641	-	14,517
Grants	262,435	-	-	262,435
Information technology	139,300	10,161	-	149,461
Interest expense - mortgage	305,005	33,110	-	338,115
Interest expense - other	468	31,032	-	31,500
Journals and publications	800	241	-	1,041
Legal fees	11,087	78,509	-	89,596
Medical and clothing	186,773	200	-	186,973
Membership dues	28,077	-	935	29,012
Office supplies	41,000	6,845	2,021	49,866
Operating and maintenance	137,338	11,757	50	149,145
Operational supplies	55,396	3,908	-	59,304
Other expenditures	8,924	15,026	-	23,950
Payroll taxes	221,773	48,654	12,244	282,671
Postage/shipping	2,755	4,428	371	7,554
Professional fees	94,867	979	-	95,846
Property and liability insurance	69,593	7,340	-	76,933
Property taxes	14,108	-	-	14,108
Rent expense	1,700,280	-	-	1,700,280
Salary and wages	2,393,010	450,660	134,462	2,978,132
Snow removal	1,086	-	-	1,086
Staff development	7,351	-	-	7,351
Staff expense	6,024	2,763	184	8,971
Staff transportation	17,219	12,057	1,133	30,409
Telephone/communications	71,962	10,731	3,519	86,212
Utilities	225,268	18,427	1,477	245,172
Vehicle expenses	22,597	735	-	23,332
Total Expenses Before Depreciation	<u>6,737,244</u>	<u>973,536</u>	<u>183,057</u>	<u>7,893,837</u>
Depreciation	<u>460,373</u>	<u>88,433</u>	<u>-</u>	<u>548,806</u>
Total Expenses	<u>\$ 7,197,617</u>	<u>\$ 1,061,969</u>	<u>\$ 183,057</u>	<u>\$ 8,442,643</u>

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2012

Cash Flows From Operating Activities:	
Change in net assets	\$ (224,732)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	548,806
Loss on beneficial interest	1,580
(Increase) Decrease In:	
Accounts receivable	131,853
Prepaid expenses	38,271
Increase (Decrease) In:	
Accounts payable	68,632
Accrued and other liabilities	(58,004)
Deferred revenue	(1,819)
Net Cash Provided by Operating Activities	<u>504,587</u>
Cash Flows From Investing Activities:	
Restricted deposits and funded reserves	3,123
Security deposits	1,346
Purchase of fixed assets	(102,539)
Net Cash Used by Investing Activities	<u>(98,070)</u>
Cash Flows From Financing Activities:	
Proceeds from line of credit	100,000
Proceeds from long term borrowings	184,868
Payments on long term borrowings	(275,356)
Net change in due to/from related organizations	(181,828)
Net Cash Used by Financing Activities	<u>(172,316)</u>
Net Increase	234,201
Cash and Cash Equivalents, Beginning of Year	<u>555,379</u>
Cash and Cash Equivalents, End of Year	<u>\$ 789,580</u>
Supplemental disclosures of cash flow information:	
Interest paid	<u>\$ 411,978</u>
Non-cash financing activities	<u>\$ 1,167,932</u>

See accompanying notes to the financial statements.

Mission Statements

Harbor Homes, Inc.:

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

Welcoming Light Inc.:

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

Milford Regional Counseling Services, Inc.:

To provide affordable counseling services to individuals and families

Greater Nashua Council on Alcoholism, Inc.

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

Healthy at Home, Inc.:

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

KEY ADMINISTRATIVE PERSONNEL - FY2014

HARBOR HOMES

Postion	Name	FTEs	Salary	Salary contributed from BBH	% of Salary from BBH
Executive Director	Peter Kelleher	0.12	\$ 16,401.00	\$ 10,435.08	64%
Chief Financial Officer	Patricia Robitaille	0.18	\$ 13,640.00	\$ 8,678.40	64%
Chief Operations Officer	Carol Furlong	0.25	\$ 25,110.00	\$ 15,976.15	64%

PETER J. KELLEHER, LCSW, LICSW

PROFESSIONAL EXPERIENCE

- 2006-Present** **President & CEO, Southern NH HIV Task Force**
- 2002-Present** **President & CEO, GNCA, Nashua, NH**
- 1997-Present** **President & CEO, Healthy at Home, Inc., Nashua, NH**
- 1995-Present** **President & CEO, Milford Regional Counseling Services, Inc., Milford, NH**
- 1995-Present** **President & CEO, Welcoming Light, Inc., Nashua, NH**
- 1982-Present** **President & CEO, Harbor Homes, Inc., Nashua, NH**
Currently employed as President & Chief Executive Officer for nonprofit corporation (and affiliates) providing residential, supported employment, and social club services for persons with long-term mental illness and/or homeless. Responsible for initiation, development, and oversight of 33 programs comprising a \$10,000,000 operating budget; proposal development resulting in more than \$3,000,000 in grants annually; oversight of over 230 management and direct care professionals.
- 2003-Present** **Consultant**
Providing consultation and technical assistance throughout the state to aid service and mental health organizations.
- 1980 - 1982** **Real Estate Broker, LeVaux Realty, Cambridge, MA**
Successful sales and property management specialist.
- 1979 - 1980** **Clinical Coordinator, Task Oriented Communities, Waltham, MA**
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/ mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.
- 1978 - 1979** **Faculty, Middlesex Community College, Bedford, MA**
Instructor for an introductory group psychotherapy course offered through the Social Work Department.
- 1977 - 1979** **Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA**
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.
- 1976** **Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA**
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.
- 1971 - 1976** **Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA**
Major responsibilities consisted of psycho-educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

EDUCATIONAL EXPERIENCE

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

LICENSES AND CERTIFICATIONS

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

PLACEMENTS

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

FIELD SUPERVISION

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

AWARDS

- Valedictorian Award received at high school graduation;
- National Institute of Mental Health Traineeship in Social Work
- University of New Hampshire Community Development 2003 Community Leader of the Year
- NAMI NH 2007 Annual Award for Systems Change
- Peter Medoff AIDS Housing Award 2007

MEMBERSHIPS

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

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)

Chair

Robert Fischer (12/13)

Vice Chair

Thomas I. Arnold, III (12/12)

Treasurer

David Aponovich (12/12)

Secretary

Laurie Goguen (12/13)

Pastor Geoff DeFranca (12-14)

Alphonse Haettenschwiller (12/14)

Sean McGuinness (12/12)

David Ross (12/14)

Captain James Lima (12/14)

Dean Shalhoup (12/12)

Trent Smith (12/13)

Dan Sallet (12-13)

Robert Kelliher (12/13)

Vincent Chamberlain (12/14)

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 1st day of April A.D. 2013

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

William M. Gardner
Secretary of State

FY 2014 BUDGET

	Total Agency	Total Administration 180	Total Programs	Community Residence 122	Independent Housing 124
400 PROG. SERV. FEES					
401 Net client fees	55,998	0	55,998	55,998	0
402 HMO's	0	0	0	0	0
403 BC/BS	0	0	0	0	0
404 Medicaid	832,200	91,342	740,858	740,858	0
405 Medicare	0	0	0	0	0
406 Other insurance	0	0	0	0	0
411 Other program fees	0	0	0	0	0
SUBTOTAL	888,198	91,342	796,856	796,856	0
420 PROG. SALES					
421 Production	0	0	0	0	0
422 Service	0	0	0	0	0
430 PUBLIC SUPPORT					
431 United Way	0	0	0	0	0
432 Local/County Government	0	0	0	0	0
433 Donations/Contributions	0	0	0	0	0
434 Bur. Developmental Services	0	0	0	0	0
435 Other public support	0	0	0	0	0
436 Div. Voc. Rehab.	0	0	0	0	0
437 Div. Alc/Drug Abuse Prev & Recovery	0	0	0	0	0
438 Div. for Children, Youth & Families	0	0	0	0	0
439 State Emergency Shelter Grant	0	0	0	0	0
FEDERAL FUNDING					
441 Block Grants	0	0	0	0	0
442	0	0	0	0	0
443	0	0	0	0	0
444 HUD	0	0	0	0	0
445 Other Federal Grants	0	0	0	0	0
446 PATH	0	0	0	0	0
447	0	0	0	0	0
448 MHSIP	0	0	0	0	0
450 OTHER REVENUE					
451 Rental Income	0	0	0	0	0
452 Interest Income	0	0	0	0	0
453 In-Kind Donations	0	0	0	0	0
454 All Other Revenue	0	0	0	0	0
480 BBH					
481 Bur. of Behavioral Health	1,553,560	170,802	1,382,758	0	1,382,758
482 Other BBH	0	0	0	0	0
483	0	0	0	0	0
484	0	0	0	0	0
SUBTOTAL	2,441,758	262,144	2,179,614	796,856	1,382,758
500 General Management Allocation	0	0	0	0	0
TOTAL PROGRAM REVENUES	2,441,758	262,144	2,179,614	796,856	1,382,758

FY 2014 BUDGET

	Total Agency	Total Administration 180	Total Programs	Community Residence 122	Independent Housing 124
600 PERSONNEL COSTS					
601 Salary & Wages	763,602	144,567	619,035	497,475	121,560
602 Employee Benefits	235,843	46,261	189,582	159,192	30,390
603 Payroll Taxes	61,088	11,565	49,523	39,798	9,725
SUBTOTAL	1,060,534	202,394	858,140	696,465	161,675
610 Client Wages	0	0	0	0	0
620 PROFESSIONAL FEES					
621 Substitute Staff	0	0	0	0	0
622 Client Evaluations/Services	0	0	0	0	0
624 Accounting	0	0	0	0	0
625 Audit Fees	2,000	2,000	0	0	0
626 Legal Fees	5,860	1,000	4,860	4,860	0
627 Other Prof. Fees/Consultations	2,900	0	2,900	2,900	0
630 STAFF DEV & TRAINING					
631 Journals & Publications	0	0	0	0	0
632 In-Service Training	0	0	0	0	0
633 Conferences & Conventions	0	0	0	0	0
634 Other Staff Development	0	0	0	0	0
640 OCCUPANCY COSTS					
641 Rent	1,200,000	0	1,200,000	0	1,200,000
642 Mortgage (Interest)	22,000	22,000	0	0	0
643 Heating Costs	23,700	12,200	11,500	11,500	0
644 Other Utilities	20,000	13,200	6,800	6,800	0
645 Maintenance & Repairs	9,097	0	9,097	9,097	0
646 Taxes	0	0	0	0	0
647 Other Occupancy Costs	0	0	0	0	0
650 CONSUMABLE SUPPLIES					
651 Office	6,900	0	6,900	5,700	1,200
652 Building/Household	7,940	0	7,940	7,940	0
653 Educational/Training	1,600	0	1,600	1,600	0
654 Production & Sales	0	0	0	0	0
655 Food	22,719	0	22,719	22,719	0
656 Medical	3,700	0	3,700	3,700	0
657 Other Consumable Supplies	1,000	0	1,000	1,000	0
SUBTOTAL PAGE	2,389,950	252,794	2,137,156	774,281	1,362,875

FY 2014 BUDGET

	Total Agency	Total Administration 180	Total Programs	Community Residence 122	Independent Housing 124
Total Carried Forward	2,389,950	252,794	2,137,156	774,281	1,362,875
700 Advertising	0	0	0	0	0
710 Printing	0	0	0	0	0
720 Telephone/Communication	9,275	0	9,275	5,675	3,600
730 Postage/Shipping	0	0	0	0	0
740 TRANSPORTATION					
741 Board Members	0	0	0	0	0
742 Staff	18,650	0	18,650	6,650	12,000
743 Clients	750	0	750	750	0
744 Delivery Products	0	0	0	0	0
750 ASSIST.TO INDIVIDUALS					
751 Client Services	0	0	0	0	0
752 Clothing	0	0	0	0	0
760 INSURANCE					
761 Malpractice & Bonding	0	0	0	0	0
762 Vehicles	2,400	0	2,400	2,400	0
763 Comprehensive, Property & Liability	7,283	0	7,283	3,000	4,283
800 OTHER EXPENDITURES					
801 Interest Expense (other than Mortgage Interest)	600	0	600	600	0
802 In-Kind Expense	0	0	0	0	0
803 Depreciation, Equipment	0	0	0	0	0
804 Depreciation, Building	11,350	9,350	2,000	2,000	0
805 Equipment Rental	750	0	750	750	0
806 Equipment Maintenance	750	0	750	750	0
807 Membership Dues	0	0	0	0	0
810 Other Expenditures	0	0	0	0	0
TOTAL EXPENSES	2,441,758	262,144	2,179,614	796,856	1,382,758
900 Administrative Allocation	0	0	0	0	0
TOTAL PROGRAM EXPENSES	2,441,758	262,144	2,179,614	796,856	1,382,758
SURPLUS/(DEFICIT)	0	0	0	0	0
Total Revenue - Total Expense (line 49 - 115)					



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/4/2013

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

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

PRODUCER FIAI/Cross Insurance 1100 Elm Street Manchester NH 03101	CONTACT NAME: Tara Dean, CIC PHONE (A/C No. Ext): (603) 669-3218 FAX (A/C No.): (603) 645-4331 E-MAIL ADDRESS: tdean@crossagency.com
INSURED Harbor Homes, Inc. 45 High Street Nashua NH 03060	INSURER(S) AFFORDING COVERAGE INSURER A: Hanover Ins Group INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: **CL134482775** REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			ZBV970714700	10/1/2012	10/1/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000	
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC							
	A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS			AHV970600300	10/1/2012	10/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist combined \$ 1,000,000
		<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB			UHV970913300	10/1/2012	10/1/2013	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						DED <input checked="" type="checkbox"/> RETENTION \$ 10,000
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below						
A	Professional			ZBV970714700 excl Harbor Homes Clinic	10/1/2012	10/1/2013	1,000,000 Ea Wrongful Act 3,000,000 Aggregate	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required) Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER The Bureau of Behavioral Health 105 Pleasant St. Main Building Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Tara Dean, CIC/TXD <i>Tara C. Dean</i>

