

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
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www.dhhs.nh.gov

April 7, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

- (1) Authorize the New Hampshire Department of Health and Human Services to exercise a renewal option to an existing agreement with Harbor Homes, Inc., (Vendor #155358), 45 High Street, Nashua, NH 03060, by increasing the price limitation by \$8,424,320 from \$10,038,853 to \$18,463,173 and by extending the contract completion date from June 30, 2017 to June 30, 2019, effective July 1, 2017. Governor and Executive Council approved the original agreement on October 29, 2014 (Item #16) and a subsequent amendment on June 10, 2015 (Item# 7).
Funding is 100% General Funds.

Funds are anticipated to be available in the following account in State Fiscal Year 2017 and anticipated to be available in State Fiscal Year 2018 and State Fiscal Year 2019 upon the availability and continued appropriation of funds in the future operating budget with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified. **05-95-92-922010-41170000-102 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: BUREAU OF BEHAVIORAL HEALTH**

| Vendor | Vendor Number | Current Amount | Increase/Decrease Amount | Revised Amount |
|--------------------|---------------|----------------|--------------------------|----------------|
| Harbor Homes, Inc. | 155358 | \$10,038,853 | \$8,424,320 | \$18,463,173 |

- (2) Contingent upon the approval of Requested Action (1), further authorize the New Hampshire Department of Health and Human Services to enter into a **Sole Source** Amendment with Harbor Homes, Inc., to expand the Housing Bridge Subsidy program to provide housing services to former inmates with substance use disorders who are re-entering the community, as defined in Exhibit A-1, by increasing the price limitation by \$500,000 from \$18,463,173 to \$18,963,173 with no change to the contract completion date of June 30, 2019, effective upon Governor and Executive Council approval. **Funding is 100% Governor Commission Funds.**

Funds are available in the following account in State Fiscal Year 2017. **05-95-49-491510-29890000-102 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: DIV OF COMM BASED CARE SVC, BUREAU OF DRUG & ALCOHOL SVCS, GOVERNOR COMMISSION FUNDS**

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| Vendor | Vendor Number | Current Amount | Increase/Decrease Amount | Revised Amount |
|--------------------|---------------|----------------|--------------------------|----------------|
| Harbor Homes, Inc. | 155358 | \$18,463,173 | \$500,000 | \$18,963,173 |

SEE ATTACHED FINANCIAL DETAILS

EXPLANATION

The Division of Behavioral Health is New Hampshire’s single state mental health authority. The Division seeks to promote full community inclusion for adults (18 years or older) having severe mental illness, severe and persistent mental illness or who are severely mentally disabled. The State places a high emphasis on supporting individuals in their community with a broad range of supports and services that reduce the need for inpatient care.

Requested Action (1), supports New Hampshire’s compliance with the Supported Housing provisions contained within the Community Mental Health Agreement (Amanda D. Settlement). Under the Agreement, the State must develop and implement measures to ensure that supported housing meets individuals’ needs. Supported Housing overlays client-specific mental health services to support an individual’s ability to live within the community with housing supported by any subsidies from any source, included State-funded rental subsidies through the Housing Bridge Subsidy program. The Agreement requires the State to develop, by June 30, 2017, 450 supported housing units.

The Department, in collaboration with the New Hampshire Housing Finance Authority (NHHFA), established a cooperative agreement that identified consumers with a severe mental illness who have been admitted to New Hampshire Hospital as a new priority group to gain access to federal Section 8/Housing Choice Vouchers. The Housing Bridge Subsidy Program provides housing services and subsidies for individuals with severe mental illness, who are at risk of becoming homeless, through the provision of tenant-based rental assistance made available until such time that a Section 8 voucher becomes available for the individual. Since the program is modeled after the Section 8 program therefore participants are responsible to pay 30% of their income toward their rent.

If approved, Requested Action (1) will authorize Harbor Homes, Inc. to deliver the required Housing Bridge Subsidy program, and ensure that services will be delivered in accordance with Administrative Rule He-M 406, Housing Bridge Subsidy program. Under this contract, up to \$689 per month per individual will be provided for safe and affordable housing, and housing placement services will be provided for up to 450 consumers throughout the state. A consumer does not have to participate in community mental health services in order to receive rental assistance.

If approved, Requested Action (2) will authorize the inclusion of an additional scope of services (Exhibit A-1) into the agreement with Harbor Homes, Inc. to expand housing services to former inmates of the New Hampshire Department of Corrections who have a Substance Use Disorder that are re-entering the community. The additional scope requires Harbor Homes, Inc. to work with the Department and the New Hampshire Department of Corrections to assist the transition of justice-involved individuals with a Substance Use Disorder into housing and housing supports. These services are being incorporated per a one-time funding allocation for alternative sentencing appropriated to the Governor’s Commission on Alcohol and Drug Abuse Prevention Treatment and Recovery created by SB 533. This one time funding must be expended by June 30, 2017.

This Amendment is **sole source**, because Harbor Homes, Inc. is uniquely positioned to implement the Substance Use Disorder re-entry program given its existing relationships with landlords and community partners that participate in the Bridge Subsidy Program. Harbor Homes, Inc. will be responsible for providing rental assistance, for individuals with Substance Use Disorder re-entering the

community from incarceration, for a period of up to three (3) months. Similar to the scope of work for the Housing Bridge Subsidy Program, Harbor Homes, Inc. will also work with treatment providers, community organizations, and case managers to ensure individuals have access to needed health and social supports, including assistance with finding employment and securing housing following the three-month subsidy.

Harbor Homes, Inc. has fulfilled the requirements of the original contract. Under this amendment, the contractor will continue to work collaboratively with the Department in order to provide housing services and subsidies for New Hampshire's individuals with mental illness and/or justice-involved individuals with Substance Use Disorders.

The original contract was competitively bid. The original contract had a two (2) year option to renew and the Department is exercising that option.

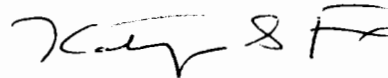
Should the Governor and Executive Council not approve these requested actions, individuals with severe mental illness who are homeless and ready for discharge from an institution; individuals with a Substance Use Disorder who are ready for discharge from an institution; and individuals who are graduating or timing out of transitional housing may either remain in their current more costly environments without being able to return to the community of their choice; remain homeless; or become homeless.

Area served: Statewide

Source of funds for Requested Item #1, 100% General Funds.

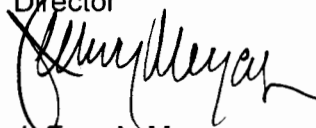
Source of funds for Requested Item #2, 100% Governor Commission Funds

Respectfully submitted,



Katja S. Fox
Director

Approved by:



Jeffrey A. Meyers
Commissioner

Financial Details

05-95-92-920010-59450000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

| Fiscal Year | Class/ Object | Class Title | Activity Code | Current Budget | Increase / Decrease | Modified Budget |
|-------------|---------------|--------------------------------|-------------------|--------------------|---------------------|--------------------|
| 2015 | 102-500731 | Contracts for Program Services | 92205945 | \$2,214,033 | \$0 | \$2,214,033 |
| 2016 | 102-500731 | Contracts for Program Services | 92205945 | \$1,923,160 | \$0 | \$1,923,160 |
| 2017 | 102-500731 | Contracts for Program Services | 92205945 | \$1,923,160 | \$0 | \$1,923,160 |
| | | | Sub-Total: | \$6,060,353 | \$0 | \$6,060,353 |

05-95-92-920010-59450000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

| Fiscal Year | Class/ Object | Class Title | Activity Code | Current Budget | Increase / Decrease | Modified Budget |
|-------------|---------------|------------------------------------|-------------------|--------------------|---------------------|--------------------|
| 2015 | 103-502664 | Contracts for Operational Services | 92204000 | \$0 | \$0 | \$0 |
| 2016 | 103-502664 | Contracts for Operational Services | 92204000 | \$1,689,500 | \$0 | \$1,689,500 |
| 2017 | 103-502664 | Contracts for Operational Services | 92204000 | \$2,289,000 | \$0 | \$2,289,000 |
| | | | Sub-Total: | \$3,978,500 | \$0 | \$3,978,500 |

05-95-92-922010-41170000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: BUREAU OF BEHAVIORAL HEALTH

| Fiscal Year | Class/ Object | Class Title | Activity Code | Current Budget | Increase / Decrease | Modified Budget |
|-------------|---------------|--------------------------------|-------------------|----------------|---------------------|--------------------|
| 2018 | 102-500731 | Contracts for Program Services | 92204117 | \$0 | \$4,212,160 | \$4,212,160 |
| 2019 | 102-500731 | Contracts for Program Services | 92204117 | \$0 | \$4,212,160 | \$4,212,160 |
| | | | Sub-Total: | \$0 | \$8,424,320 | \$8,424,320 |

05-95-49-491510-29890000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: DIV OF COMM BASED CARE SVC, BUREAU OF DRUG & ALCOHOL SVCS, GOVERNOR COMMISSION FUNDS

| Fiscal Year | Class/ Object | Class Title | Activity Code | Current Budget | Increase / Decrease | Modified Budget |
|-------------|---------------|--------------------------------|--------------------|---------------------|---------------------|---------------------|
| 2017 | 102-500731 | Contracts for Program Services | 49158503 | \$0 | \$500,000 | \$500,000 |
| | | | Sub-Total: | \$0 | \$500,000 | \$500,000 |
| | | | Grand Total | \$10,038,853 | \$8,924,320 | \$18,963,173 |



**Amendment #2 to the Harbor Homes Inc. Contract for
Housing Bridge Subsidy Program**

**State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Housing Bridge Subsidy Program Contract**

This second Amendment to the Housing Bridge Subsidy Program contract (hereinafter referred to as "Amendment #2") dated this 31st day of January, 2017, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Harbor Homes, Inc. (hereinafter referred to as "the Contractor"), a nonprofit corporation with a place of business at 45 High Street, Nashua, New Hampshire 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on October 29, 2014 (Item #16), and Amendment #1 approved by the Governor and Executive Council on June 10, 2015 (Item #7) the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

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

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

WHEREAS the State and the Contractor have agreed to extend the term of the agreement, increase the price limitation, and to add services;

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

To amend as follows:

1. Form P-37, General Provisions, Item 1.6, Account Number to add:
095-092-92210-41170000-500731
2. Form P-37, General Provisions, Item 1.7, Completion date to read:
June 30, 2019.
3. Form P-37, General Provisions, Item 1.8 Price Limitation, to read:
\$18,963,173
4. Delete Exhibit A, Section 4, paragraph 4.1 and replace with the following:
4.1 The Contractor shall provide HBSP services to a minimum of 450 consumers.
5. Add Exhibit A-1, Amendment #2.
6. Add Exhibit B-1, Amendment #2.
7. Add Exhibit B-4 (SFY 2018 budget) and B-5 (SFY 2019 budget).



**Amendment #2 to the Harbor Homes Inc. Contract for
Housing Bridge Subsidy Program**

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

State of New Hampshire
Department of Health and Human Services

4/7/17
Date

[Signature]
Katja S. Fox
Director

3/6/2017
Date

Harbor Homes, Inc.
[Signature]
Name/Title

Acknowledgement:
State of New Hampshire, County of Hillsborough on 3/6/2017, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

[Signature]
Name and Title of Notary or Justice of the Peace

WILLIAM C. MARTIN
Justice of the Peace - New Hampshire
My Commission Expires November 4, 2020

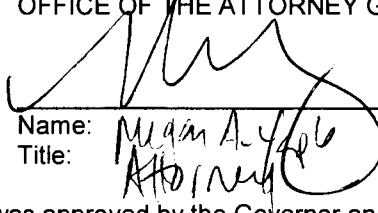


**Amendment #2 to the Harbor Homes Inc. Contract for
Housing Bridge Subsidy Program**

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

OFFICE OF THE ATTORNEY GENERAL

4/7/17
Date


Name: Megan A. Apple
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Scope of Services

1. Provisions Applicable to All Services

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

2. Scope of Work

- 2.1. The Contractor shall facilitate housing placement for individuals eligible for the SUD Re-Entry Housing Subsidy Program. The Contractor shall:
 - 2.1.1. Contact the consumer's or their designated agent correctional institution to schedule a face-to-face meeting with the consumer and the consumer's support team that may include, but is not limited to the consumer's guardian or other involved family member; the referring agent; a representative from the Division for Behavioral Health (DBH); and an appropriate substance use disorder treatment provider.
 - 2.1.2. Work with the consumer's support team, listed in Section 2.1.1, to:
 - 2.1.2.1. Assess consumer's immediate temporary housing needs.
 - 2.1.2.2. Create an individualized housing plan within fifteen (15) days from the date the initial referral for services is received. Housing plans may include, but are not limited to, supportive services; access to substance use disorder services and behavioral health care; and access to primary health care.
 - 2.1.3. Ensure successful acquisition of consumer housing services within ten (10) days of receiving the initial referral. The Contractor shall:
 - 2.1.3.1. Assess consumer housing preferences and housing history.
 - 2.1.3.2. Assist consumers with identifying available housing units in consumers' communities of choice.
 - 2.1.3.3. Assist consumers with obtaining, completing and submitting housing applications.
 - 2.1.3.4. Assist consumers with attending housing provider meetings, as appropriate, which include, but are not limited to, performing housing unit inspections; and assisting consumers with identifying initial rental needs and resources.



- 2.1.3.5. Work with the consumer and the consumer's support team identified in Section 2.1.1, to facilitate paperwork needed to verify income and program eligibility.
- 2.1.4. Assist consumers with identifying initial rental needs and resources, such as security deposits, utilities and furniture.
- 2.1.5. Use HUD's habitability standards form to complete housing inspections.
- 2.1.6. Assist consumers with applying for and obtaining benefits for which the consumer may be eligible, including but not limited to, security and utility deposit assistance, TANF, food stamps, and SSI/SSDI.
 - 2.1.6.1. The Contractor shall work with the Department to maintain regular communication with appropriate benefit eligibility staff to ensure eligibility is not impacted by subsidy receipt.
- 2.1.7. Remain in close communication with the consumer for the full ninety (90) days of the consumer obtaining housing. The Contractor shall:
 - 2.1.7.1. Revise housing and support services plan, if necessary.
 - 2.1.7.2. Identify resources within the community that can assist consumers, including but not limited to, peer support agencies; faith-based groups; transportation services; primary care services; homemaker/personal care services; legal aid; and meals-on-wheels.
 - 2.1.7.3. Identify consumers' needs through treatment team meetings; self- observations; and feedback from landlords and the local substance use disorder services case managers.
 - 2.1.7.4. Work with the consumer to identify long-term sustainable housing options to plan for expiration of subsidy terms.
 - 2.1.7.5. Work with the Department to identify benefit eligibility restrictions and impacts based on subsidy receipt.
- 2.2. The Contractor shall administer SUD Re-entry Housing Subsidy services, which may include, but are not limited to:
 - 2.2.1. Finding housing for current consumers, as described in Section 2.1.3.
 - 2.2.2. Completing monthly inspections of consumers' apartments.
 - 2.2.3. Being the point of contact for landlords.
 - 2.2.4. Ensuring timely rental payments to landlords.
 - 2.2.5. Ensuring timely payment to utility companies.
 - 2.2.6. Ensuring consistent communication with the consumer's parole officer.
- 2.3. The Contractor shall provide funding for up to ninety (90) days to provide rent, security deposits, and essential utility bills (i.e. heat, hot water and electricity). Any additional essential bills will require Department approval.

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- 2.4. The Contractor shall ensure sufficient staffing to provide housing placement and support services to a minimum of seventy-five (75) consumers. The Contractor shall ensure:
 - 2.4.1. All staffing and volunteers undergo New Hampshire criminal background checks.
 - 2.4.2. All staffing and volunteer names are submitted to the Bureau of Adult and Elderly Services for review against the State Consumer Protective Service Registry.
- 2.5. The Contractor shall ensure all complaints regarding SUD Re-Entry Housing Subsidy services are investigated by the Complaint Investigator within fifteen (15) days of receiving the complaint. The Contractor shall ensure:
 - 2.5.1. All parties relevant to the complaint are interviewed by the Complaint Investigator.
 - 2.5.2. A determination is made by the Complaint Investigator as to whether the complaint is founded or unfounded.
 - 2.5.3. The complainant is notified, in writing, of the finding.
 - 2.5.4. All complainants' identities are kept confidential.
 - 2.5.5. Complainants are aware of the Contractor's process to request an appeal of findings.
- 2.6. The Contractor shall provide monthly reports to the Department that are based on Section 3, Reporting Requirements.

3. Reporting Requirements

- 3.1. The Contractor shall submit monthly progress reports to the Department. The reports must be in narrative form summarizing the results of project activities and showing in particular how project activities were performed for the previous month. Monthly reports shall include, but are not limited to:
 - 3.1.1. The number of participating consumers' assisted during the month.
 - 3.1.2. The number of consumers who exited the project during the month.
 - 3.1.3. The number of consumers who attained stable housing.
 - 3.1.4. The number of consumers referred to and participating in substance use disorder and behavioral health services
 - 3.1.5. Demographic consumer information.
 - 3.1.6. Barriers experienced by the program
 - 3.1.7. Solutions to avoiding barriers identified.

4. Deliverables

- 4.1. The Contractor shall provide housing placement services to a minimum of seventy-five (75) consumers. The Contractor shall ensure:



Exhibit A-1

- 4.1.1. Eighty (80) percent of consumers secure housing in their community of choice or the community approved by the Parole Board.
- 4.1.2. Seventy (70) percent of consumers maintain housing for a minimum of three (3) months.
- 4.1.3. One hundred (100) percent of consumers are referred to and enrolled in SUD and behavioral health care as deemed appropriate by a clinical assessment and individualized treatment plan.
- 4.1.4. Seventy-five (75) percent of consumers receive ongoing SUD treatment in accordance with an appropriate clinical assessment and individualized treatment plan.



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Exhibit B-1

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation on Form P37, Block 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This contract is funded with general funds, Governor and Commission Funds, anticipated to be available based upon continued appropriation, which are conditioned upon continued support of the program by the state and federal governments.
3. Payment for expenses shall be on a cost reimbursement basis only for actual expenditures. Expenditures shall be in accordance with the approved line item budgets shown in Exhibits B-1 and B-2.
4. Payment for services shall be made as follows:
 - 4.1. The Contractor must submit monthly invoices for reimbursement by the 20th of each month for services specified in Exhibit A, Scope of Services. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice for Contractor services provided pursuant to this Agreement.
 - 4.2. The invoices must;
 - 4.2.1. Clearly identify the amount requested and the services performed during that period.
 - 4.2.2. Include a detailed account of the work performed, and a list of deliverables completed during that prior month, as outlined in Exhibit A, Scope of Services.
 - 4.2.3. Separately identify any work and amount of attributable and performed by an approved contractor, if applicable.
 - 4.3. Invoices and reports identified in Section 4.1 and 4.2 must be submitted to:

NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
5. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A.
6. A final payment request shall be submitted no later than sixty (60) days after the Contract ends. Failure to submit the invoice, and accompanying documentation could result in nonpayment.
7. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.
8. Notwithstanding paragraph 18 of Form P-37, General Provisions, an amendment limited to the adjustment of the amounts between budget line items and/or State Fiscal Years, related items, and amendments of related budget exhibits, can be made by written agreement of both parties and do not required additional approval of the Governor and Executive Council.

Handwritten initials, possibly "PW", in black ink.

3/6/17

Exhibit B1, Budget, Amendment #2

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

Bidder/Program Name: Harbor Homes, Inc.

Budget Request for: Housing Bridge Subsidy Program, Addendum - SUD_Criminal Justice Involved Individuals
(Name of RFP)

Budget Period: 03/22/2017 - 6/30/2017

| Line Item | Total Program Cost | | | Contractor Share / Match | | | Funded by DHHS Contract Share | | | Total |
|----------------------------------------------------|--------------------|----------------|---------------|--------------------------|----------------|-------|-------------------------------|----------------|---------------|-------|
| | Direct Incremental | Indirect Fixed | Total | Direct Incremental | Indirect Fixed | Total | Direct Incremental | Indirect Fixed | Total | |
| 1. Total Salary/Wages | \$ 39,433.00 | \$ 11,931.96 | \$ 51,364.96 | \$ - | \$ - | \$ - | \$ 39,433.00 | \$ 11,931.96 | \$ 51,364.96 | |
| 2. Employee Benefits | \$ 8,667.00 | \$ 1,040.04 | \$ 9,707.04 | \$ - | \$ - | \$ - | \$ 8,667.00 | \$ 1,040.04 | \$ 9,707.04 | |
| 3. Consultants | \$ 3,000.00 | \$ 360.00 | \$ 3,360.00 | \$ - | \$ - | \$ - | \$ 3,000.00 | \$ 360.00 | \$ 3,360.00 | |
| 4. Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 5. Supplies: | \$ 500.00 | \$ 60.00 | \$ 560.00 | \$ - | \$ - | \$ - | \$ 500.00 | \$ 60.00 | \$ 560.00 | |
| 6. Travel | \$ 1,800.00 | \$ 180.00 | \$ 1,980.00 | \$ - | \$ - | \$ - | \$ 1,800.00 | \$ 180.00 | \$ 1,980.00 | |
| 7. Occupancy | \$ 1,250.00 | \$ 150.00 | \$ 1,400.00 | \$ - | \$ - | \$ - | \$ 1,250.00 | \$ 150.00 | \$ 1,400.00 | |
| 8. Current Expenses | \$ 350,000.00 | \$ 42,000.00 | \$ 392,000.00 | \$ - | \$ - | \$ - | \$ 350,000.00 | \$ 42,000.00 | \$ 392,000.00 | |
| 9. Software | \$ 500.00 | \$ 60.00 | \$ 560.00 | \$ - | \$ - | \$ - | \$ 500.00 | \$ 60.00 | \$ 560.00 | |
| 10. Marketing/Communications | \$ 500.00 | \$ 60.00 | \$ 560.00 | \$ - | \$ - | \$ - | \$ 500.00 | \$ 60.00 | \$ 560.00 | |
| 11. Staff Education and Training | \$ 2,500.00 | \$ 300.00 | \$ 2,800.00 | \$ - | \$ - | \$ - | \$ 2,500.00 | \$ 300.00 | \$ 2,800.00 | |
| 12. Subcontracts/Agreements | \$ 2,500.00 | \$ 300.00 | \$ 2,800.00 | \$ - | \$ - | \$ - | \$ 2,500.00 | \$ 300.00 | \$ 2,800.00 | |
| 13. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Client Education and Training (financial literacy) | \$ 17,500.00 | \$ 2,100.00 | \$ 19,600.00 | \$ - | \$ - | \$ - | \$ 17,500.00 | \$ 2,100.00 | \$ 19,600.00 | |
| TOTAL | \$ 440,000.00 | \$ 60,000.00 | \$ 500,000.00 | \$ - | \$ - | \$ - | \$ 440,000.00 | \$ 60,000.00 | \$ 500,000.00 | |

12.0%

Indirect As A Percent of Direct

Contractor Initials: *CA*
Date: *3/27/17*

Exhibit B-4, Budget

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

Bidder/Program Name: Harbor Homes, Inc.

Budget Request for: Housing Bridge Subsidy Program
(Name of RFP)

Budget Period: 7/1/2017-6/30/2018

| Line Item # & Description | Total Program Case | | | Contractor Share / Match | | | Funded by DHHS contract share | | |
|-----------------------------------------|--------------------|----------------|-----------------|--------------------------|----------------|-------|-------------------------------|----------------|-----------------|
| | Direct Incremental | Indirect Fixed | Total | Direct Incremental | Indirect Fixed | Total | Direct Incremental | Indirect Fixed | Total |
| 1. Total Salary/Wages | \$ 432,000.00 | \$ 300,000.00 | \$ 732,000.00 | \$ - | \$ - | \$ - | \$ 432,000.00 | \$ 300,000.00 | \$ 732,000.00 |
| 2. Employee Benefits | \$ 120,960.00 | \$ 84,000.00 | \$ 204,960.00 | \$ - | \$ - | \$ - | \$ 120,960.00 | \$ 84,000.00 | \$ 204,960.00 |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4. Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Purchaser/Depreciation | \$ 5,000.00 | \$ - | \$ 5,000.00 | \$ - | \$ - | \$ - | \$ 5,000.00 | \$ - | \$ 5,000.00 |
| 5. Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 1,240.00 | \$ 2,400.00 | \$ 3,640.00 | \$ - | \$ - | \$ - | \$ 1,240.00 | \$ 2,400.00 | \$ 3,640.00 |
| 6. Travel | \$ 20,000.00 | \$ 700.00 | \$ 20,700.00 | \$ - | \$ - | \$ - | \$ 20,000.00 | \$ 700.00 | \$ 20,700.00 |
| 7. Occupancy | \$ 3,151,700.00 | \$ 15,000.00 | \$ 3,166,700.00 | \$ - | \$ - | \$ - | \$ 3,151,700.00 | \$ 15,000.00 | \$ 3,166,700.00 |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 4,500.00 | \$ 5,000.00 | \$ 9,500.00 | \$ - | \$ - | \$ - | \$ 4,500.00 | \$ 5,000.00 | \$ 9,500.00 |
| Postage | \$ 457.00 | \$ 500.00 | \$ 957.00 | \$ - | \$ - | \$ - | \$ 457.00 | \$ 500.00 | \$ 957.00 |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ 4,000.00 | \$ 4,000.00 | \$ - | \$ - | \$ - | \$ - | \$ 4,000.00 | \$ 4,000.00 |
| Insurance | \$ 15,000.00 | \$ 19,703.00 | \$ 34,703.00 | \$ - | \$ - | \$ - | \$ 15,000.00 | \$ 19,703.00 | \$ 34,703.00 |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9. Software | \$ 5,000.00 | \$ 15,000.00 | \$ 20,000.00 | \$ - | \$ - | \$ - | \$ 5,000.00 | \$ 15,000.00 | \$ 20,000.00 |
| 10. Marketing/Communications | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11. Staff Education and Training | \$ 5,000.00 | \$ 5,000.00 | \$ 10,000.00 | \$ - | \$ - | \$ - | \$ 5,000.00 | \$ 5,000.00 | \$ 10,000.00 |
| 12. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 3,760,857.00 | \$ 451,303.00 | \$ 4,212,160.00 | \$ - | \$ - | \$ - | \$ 3,760,857.00 | \$ 451,303.00 | \$ 4,212,160.00 |

12.0%

Contractor Initials: *[Signature]*
Date: 3/16/17

Exhibit B-5, Budget

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

Bidder/Program Name: Harbor Homes, Inc.

Budget Request for: Housing Bridge Subsidy Program
(Name of RFP)

Budget Period: 7/1/2018-6/30/2019

| Line Item | Total Program Cost | | | Contractor Share / Match | | | Funded by DHHB contract share | | |
|----------------------------------------|-----------------------|-------------------|-----------------|--------------------------|-------------------|-------|-------------------------------|-------------------|-----------------|
| | Direct Incremental | Indirect Fixed | Total | Direct Incremental | Indirect Fixed | Total | Direct Incremental | Indirect Fixed | Total |
| 1. Total Salary/Wages | \$ 432,000.00 | \$ 300,000.00 | \$ 732,000.00 | \$ - | \$ - | \$ - | \$ 432,000.00 | \$ 300,000.00 | \$ 732,000.00 |
| 2. Employee Benefits | \$ 120,960.00 | \$ 84,000.00 | \$ 204,960.00 | \$ - | \$ - | \$ - | \$ 120,960.00 | \$ 84,000.00 | \$ 204,960.00 |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4. Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ 5,000.00 | \$ - | \$ 5,000.00 | \$ - | \$ - | \$ - | \$ 5,000.00 | \$ - | \$ 5,000.00 |
| 5. Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 1,240.00 | \$ 2,400.00 | \$ 3,640.00 | \$ - | \$ - | \$ - | \$ 1,240.00 | \$ 2,400.00 | \$ 3,640.00 |
| 6. Travel | \$ 20,000.00 | \$ 700.00 | \$ 20,700.00 | \$ - | \$ - | \$ - | \$ 20,000.00 | \$ 700.00 | \$ 20,700.00 |
| 7. Occupancy | \$ 3,151,700.00 | \$ 15,000.00 | \$ 3,166,700.00 | \$ - | \$ - | \$ - | \$ 3,151,700.00 | \$ 15,000.00 | \$ 3,166,700.00 |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 4,500.00 | \$ 5,000.00 | \$ 9,500.00 | \$ - | \$ - | \$ - | \$ 4,500.00 | \$ 5,000.00 | \$ 9,500.00 |
| Postage | \$ 457.00 | \$ 500.00 | \$ 957.00 | \$ - | \$ - | \$ - | \$ 457.00 | \$ 500.00 | \$ 957.00 |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ 4,000.00 | \$ 4,000.00 | \$ - | \$ - | \$ - | \$ - | \$ 4,000.00 | \$ 4,000.00 |
| Insurance | \$ 15,000.00 | \$ 19,703.00 | \$ 34,703.00 | \$ - | \$ - | \$ - | \$ 15,000.00 | \$ 19,703.00 | \$ 34,703.00 |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9. Software | \$ 5,000.00 | \$ 15,000.00 | \$ 20,000.00 | \$ - | \$ - | \$ - | \$ 5,000.00 | \$ 15,000.00 | \$ 20,000.00 |
| 10. Marketing/Communications | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11. Staff Education and Training | \$ 5,000.00 | \$ 5,000.00 | \$ 10,000.00 | \$ - | \$ - | \$ - | \$ 5,000.00 | \$ 5,000.00 | \$ 10,000.00 |
| 12. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13. Other (specific details mandatory) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 3,780,887.00 | \$ 461,383.00 | \$ 4,212,180.00 | \$ - | \$ - | \$ - | \$ 3,780,887.00 | \$ 461,383.00 | \$ 4,212,180.00 |

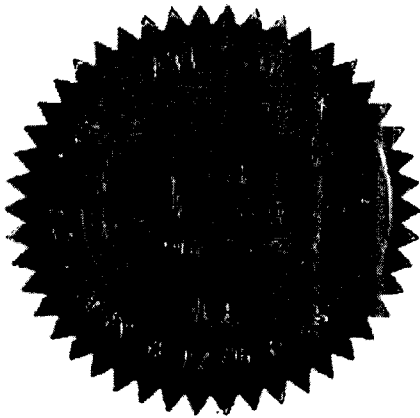
Indirect As A Percent of Direct 12.0%

Contractor Initials: *[Signature]*
Date: 7/6/17

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 14th day of April A.D. 2016

A handwritten signature in black ink, which appears to read 'William M. Gardner', is written above the printed name.

William M. Gardner
Secretary of State

Business Information

Business Details

| | | | |
|---------------------------------------|----------------------------------------|---------------------------------|---------------|
| Business Name: | HARBOR HOMES, INC. | Business ID: | 62778 |
| Business Type: | Domestic Nonprofit Corporation | Business Status: | Good Standing |
| Business Creation Date: | 02/15/1980 | Name in State of Incorporation: | Not Available |
| Date of Formation in Jurisdiction: | 02/15/1980 | | |
| Principal Office Address: | 45 High Street, Nashua, NH, 03060, USA | Mailing Address: | NONE |
| Citizenship / State of Incorporation: | Domestic/New Hampshire | | |
| | | Last Nonprofit Report Year: | 2015 |
| | | Next Report Year: | 2020 |
| Duration: | Perpetual | | |
| Business Email: | NONE | Phone #: | NONE |
| Notification Email: | NONE | Fiscal Year End Date: | NONE |

Principal Purpose

| S.No | NAICS Code | NAICS Subcode |
|---------------------|------------|---------------|
| No records to view. | | |

Registered Agent Information

| | |
|-----------------------------|---------------|
| Name: | Not Available |
| Registered Office Address: | Not Available |
| Registered Mailing Address: | Not Available |

CERTIFICATE OF VOTE

I, David Aponovich, Asst. Treasurer, do hereby certify that:
(Name of the Elected Officer of the Agency; cannot be contract signatory)

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

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on March 6, 2017.
(Date)

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

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 6th day of March, 2017.
(Date Contract Signed)

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

of the Agency.

David A. Aponovich
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 6th day of March 20 17.

By David Aponovich
(Name of Elected Officer of the Agency)

William C. Martin
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

WILLIAM C. MARTIN
Justice of the Peace - New Hampshire
My Commission Expires November 4, 2020
Commission Expires: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/1/2016

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 Eaton & Berube Insurance Agency, Inc. 11 Concord Street Nashua NH 03064 | CONTACT NAME: Kimberly Gutekunst PHONE (A/C, No, Ext): 603-882-2766 E-MAIL ADDRESS: kgutekunst@eatonberube.com | FAX (A/C, No): |
| | INSURER(S) AFFORDING COVERAGE | |
| INSURED HARHO Harbor Homes, Inc 45 High Street Nashua NH 03060 | INSURER A: Hanover Insurance | |
| | INSURER B: QBE Insurance Corp | |
| | INSURER C: Philadelphia Insurance Companies | |
| | INSURER D: | |
| | INSURER E: | |
| INSURER F: | | NAIC # |

COVERAGES

CERTIFICATE NUMBER: 1942834943

REVISION NUMBER:

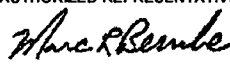
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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 <input checked="" type="checkbox"/> Abuse GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC | Y | | ZBV970714702 | 7/1/2016 | 7/1/2017 | 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 |
| | | | | | | | | \$ |
| A | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | | | AHV9706003 | 7/1/2016 | 7/1/2017 | COMBINED SINGLE LIMIT (Ea accident) | \$1,000,000 |
| | | | | | | | BODILY INJURY (Per person) | \$ |
| | | | | | | | BODILY INJURY (Per accident) | \$ |
| | | | | | | | PROPERTY DAMAGE (Per accident) | \$ |
| | | | | | | | | \$ |
| A | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$0 | | | UHV970913302 | 7/1/2016 | 7/1/2017 | EACH OCCURRENCE | \$5,000,000 |
| | | | | | | | AGGREGATE | \$5,000,000 |
| | | | | | | | | \$ |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N | N/A | QWC3000636 | 11/26/2015 | 11/26/2016 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER | |
| | | | | | | | E.L. EACH ACCIDENT | \$500,000 |
| | | | | | | | E.L. DISEASE - EA EMPLOYEE | \$500,000 |
| | | | | | | | E.L. DISEASE - POLICY LIMIT | \$500,000 |
| A C A | Professional Liability Management Liability Crime | | | New PHSD1049831 BMVA101342 | 7/1/2016 7/1/2016 7/1/2016 | 7/1/2017 7/1/2017 7/1/2017 | \$1,000,000 \$1,000,000 \$510,000 | \$3,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Additional Named Insureds:
 Harbor Homes, Inc. - FID# 020351932
 Harbor Homes II, Inc.
 Harbor Homes III, Inc.
 Healthy at Homes, Inc. - FID# 043364080
 Milford Regional Counseling Service, Inc. - FID# 222512360
 See Attached...

CERTIFICATE HOLDER**CANCELLATION**

| | |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| State of New Hampshire Department of Health and Human Services 129 Pleasant St Concord NH 03301 | 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  |

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ADDITIONAL REMARKS SCHEDULE

| | | | |
|-------------------------------------------------|-----------|-------------------------------------------------------------------------|--|
| AGENCY Eaton & Berube Insurance Agency, Inc. | | NAMED INSURED Harbor Homes, Inc 45 High Street Nashua NH 03060 | |
| POLICY NUMBER | | EFFECTIVE DATE: | |
| CARRIER | NAIC CODE | | |

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

Southern New Hampshire HIV/AIDS Task Force -FID# 020447280
 Welcoming Light, Inc. -FID# 020481648
 HH Ownership, Inc.
 Greater Nashua Council on Alcoholism dba Keystone Hall -FID# 222558859

45 High Street
Nashua, NH 03060
www.harborhomes.org



Phone: 603-882-3616
603-881-8436
Fax: 603-595-7414

A Beacon for the Homeless for Over 30 Years



Mission Statement

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

A member of the Partnership for Successful Living

A collaboration of six affiliated not-for-profit organizations providing southern New Hampshire's most vulnerable community members with access to housing, health care, education, employment and supportive services.
www.nhpartnership.org

Harbor Homes • Healthy at Home • Keystone Hall • Milford Regional Counseling Services
• Southern NH HIV/AIDS Task Force • Welcoming Light



HARBOR HOMES, INC.

Financial Statements

For the Year Ended June 30, 2016

(With Independent Auditors' Report Thereon)

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| Statement of Activities | 4 |
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| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7 |

102 Perimeter Road
Nashua, NH 03063
(603)882-1111
melansonheath.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

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

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Homes, Inc., which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

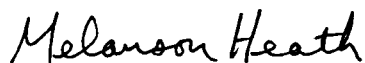
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2016, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Harbor Homes, Inc.'s fiscal year 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2016 on our consideration of the Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.



November 2, 2016

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2016

(With Comparative Totals as of June 30, 2015)

| <u>ASSETS</u> | <u>2016</u> | <u>2015</u> |
|------------------------------------------------------------|----------------------|----------------------|
| Current Assets: | | |
| Cash and cash equivalents | \$ 80,962 | \$ 191,326 |
| Investments | 8,890 | 10,299 |
| Accounts receivable, net | 862,339 | 1,020,434 |
| Patient services receivables, net | 448,468 | 290,292 |
| Due from related organizations | 180,466 | 90,703 |
| Prepaid expenses | <u>160,913</u> | <u>66,069</u> |
| Total Current Assets | 1,742,038 | 1,669,123 |
| Noncurrent Assets: | | |
| Property and Equipment, net of accumulated depreciation | 19,139,795 | 20,069,439 |
| Restricted deposits and funded reserves | 382,783 | 346,027 |
| Due from related organizations | 318,617 | 318,935 |
| Beneficial interest | 143,756 | 149,503 |
| Deferred compensation plan | <u>100,591</u> | <u>91,937</u> |
| Total Noncurrent Assets | <u>20,085,542</u> | <u>20,975,841</u> |
| Total Assets | <u>\$ 21,827,580</u> | <u>\$ 22,644,964</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts payable | \$ 233,806 | \$ 448,625 |
| Accrued expenses | 789,127 | 720,016 |
| Due to related organizations | - | 109,364 |
| Line of credit | 100,100 | 733,319 |
| Deferred revenue | 256,659 | 2,259 |
| Current portion of capital leases payable | 47,985 | 43,126 |
| Current portion of mortgages payable | <u>256,680</u> | <u>201,707</u> |
| Total Current Liabilities | 1,684,357 | 2,258,416 |
| Long Term Liabilities: | | |
| Security deposits | 31,953 | 42,494 |
| Deferred compensation plan | 107,215 | 91,937 |
| Capital leases payable, net of current portion | 13,446 | 61,431 |
| Mortgages payable, tax credits | 100,323 | 121,367 |
| Mortgages payable, net of current portion | 6,932,311 | 7,191,180 |
| Mortgages payable, deferred | <u>5,217,096</u> | <u>5,332,834</u> |
| Total Long Term Liabilities | <u>12,402,344</u> | <u>12,841,243</u> |
| Total Liabilities | 14,086,701 | 15,099,659 |
| Unrestricted Net Assets | 7,593,742 | 7,498,125 |
| Temporarily Restricted Net Assets | <u>147,137</u> | <u>47,180</u> |
| Total Net Assets | <u>7,740,879</u> | <u>7,545,305</u> |
| Total Liabilities and Net Assets | <u>\$ 21,827,580</u> | <u>\$ 22,644,964</u> |

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

| | <u>Unrestricted Net Assets</u> | <u>Temporarily Restricted Net Assets</u> | <u>2016 Total</u> | <u>2015 Total</u> |
|------------------------------------------------|------------------------------------|--------------------------------------------------|-----------------------|-----------------------|
| <u>Public Support and Revenue:</u> | | | | |
| <u>Public Support:</u> | | | | |
| Federal grants | \$ 2,758,968 | \$ - | \$ 2,758,968 | \$ 3,343,768 |
| State, local, and other grants | 3,824,837 | - | 3,824,837 | 2,354,114 |
| Contributions | 141,631 | 343,000 | 484,631 | 444,890 |
| Fundraising events | 20,885 | - | 20,885 | 1,522 |
| Net assets released from restriction | <u>243,043</u> | <u>(243,043)</u> | <u>-</u> | <u>-</u> |
| Total Public Support | 6,989,364 | 99,957 | 7,089,321 | 6,144,294 |
| <u>Revenue:</u> | | | | |
| Department of Housing and Urban Development | 2,940,896 | - | 2,940,896 | 2,872,237 |
| Veterans Administrative grants | 2,303,049 | - | 2,303,049 | 2,464,140 |
| Contracted services | 328,802 | - | 328,802 | 1,008,778 |
| Patient services revenues, net | 1,736,275 | - | 1,736,275 | 893,197 |
| Medicaid - Federal and State, net | 1,292,782 | - | 1,292,782 | 820,177 |
| Rent and service charges, net | 381,691 | - | 381,691 | 438,744 |
| Other fees and miscellaneous | 292,972 | - | 292,972 | 212,486 |
| Other patient revenues | - | - | - | 144,598 |
| Outside rent | 122,508 | - | 122,508 | 110,841 |
| Management fees | 36,960 | - | 36,960 | 35,478 |
| Investment income/(loss) | (5,792) | - | (5,792) | 2,708 |
| Gain (loss) on disposal of fixed assets | - | - | - | 332,618 |
| Total Revenue | <u>9,430,143</u> | <u>-</u> | <u>9,430,143</u> | <u>9,336,002</u> |
| Total Public Support and Revenue | 16,419,507 | 99,957 | 16,519,464 | 15,480,296 |
| <u>Expenses:</u> | | | | |
| Program | 15,156,854 | - | 15,156,854 | 13,331,133 |
| Administration | 2,119,583 | - | 2,119,583 | 1,772,573 |
| Fundraising | <u>264,974</u> | <u>-</u> | <u>264,974</u> | <u>380,786</u> |
| Total Expenses | 17,541,411 | - | 17,541,411 | 15,484,492 |
| Legal settlement, net (see Note 23) | 1,119,434 | - | 1,119,434 | - |
| Debt forgiveness | <u>98,087</u> | <u>-</u> | <u>98,087</u> | <u>-</u> |
| Change in net assets | 95,617 | 99,957 | 195,574 | (4,196) |
| Net Assets, Beginning of Year | <u>7,498,125</u> | <u>47,180</u> | <u>7,545,305</u> | <u>7,549,501</u> |
| Net Assets, End of Year | <u>\$ 7,593,742</u> | <u>\$ 147,137</u> | <u>\$ 7,740,879</u> | <u>\$ 7,545,305</u> |

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

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

| | <u>Program</u> | <u>Administration</u> | <u>Fundraising</u> | <u>2016 Total</u> | <u>2015 Total</u> |
|----------------------------------------|----------------------|-----------------------|--------------------|-----------------------|-----------------------|
| Expenses: | | | | | |
| Accounting fees | \$ - | \$ 54,671 | \$ - | \$ 54,671 | \$ 45,104 |
| Advertising and promotion | 4,135 | 6,194 | 124 | 10,453 | 5,921 |
| Client expenses | 196,185 | - | - | 196,185 | 237,585 |
| Conferences, conventions, and meetings | 53,193 | 1,426 | 299 | 54,918 | 25,639 |
| Contract labor | 261,391 | - | 16,018 | 277,409 | 289,589 |
| Employee benefits | 788,486 | 283,854 | 28,452 | 1,100,792 | 1,054,204 |
| Grants | 157,542 | 75 | - | 157,617 | 257,722 |
| Information technology | 158,019 | 32,889 | 33 | 190,941 | 148,414 |
| Insurance | 114,177 | 6,049 | 158 | 120,384 | 100,407 |
| Interest | 402,980 | 41,781 | 808 | 445,569 | 457,853 |
| Legal fees | 17,710 | 88,063 | - | 105,773 | 25,677 |
| Management fees | - | 11,624 | - | 11,624 | 10,518 |
| Occupancy | 5,674,641 | 79,130 | 3,651 | 5,757,422 | 4,447,022 |
| Office expenses | 146,474 | 43,912 | 2,915 | 193,301 | 206,997 |
| Operational supplies | 152,903 | 5,611 | 317 | 158,831 | 138,653 |
| Other expenses | 14,512 | 24,782 | 34,267 | 73,561 | 75,683 |
| Payroll taxes | 419,716 | 93,011 | 7,475 | 520,202 | 491,165 |
| Professional fees | 112,652 | 43,158 | 3,592 | 159,402 | 280,980 |
| Salaries and wages | 5,405,757 | 1,169,882 | 158,687 | 6,734,326 | 6,040,999 |
| Security deposits | 143,902 | - | - | 143,902 | 140,307 |
| Staff development and expenses | 16,966 | 3,839 | 224 | 21,029 | 86,768 |
| Travel | 57,575 | 1,999 | 354 | 59,928 | 50,160 |
| Total Expenses Before Depreciation | <u>14,298,916</u> | <u>1,991,950</u> | <u>257,374</u> | <u>16,548,240</u> | <u>14,617,367</u> |
| Depreciation and amortization | <u>857,938</u> | <u>127,633</u> | <u>7,600</u> | <u>993,171</u> | <u>867,125</u> |
| Total Functional Expenses | <u>\$ 15,156,854</u> | <u>\$ 2,119,583</u> | <u>\$ 264,974</u> | <u>\$ 17,541,411</u> | <u>\$ 15,484,492</u> |

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

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------------------------------------------------|--------------------|-------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ 195,574 | \$ (4,196) |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation and amortization | 993,171 | 867,125 |
| (Gain)/loss on disposal of fixed assets | - | (332,618) |
| (Gain)/loss on beneficial interest | 5,747 | (1,299) |
| Debt forgiveness | (98,087) | - |
| (Increase) Decrease In: | | |
| Accounts receivable | 158,095 | (11,333) |
| Patient services receivable | (158,176) | 138,594 |
| Promises to give | - | 50,000 |
| Prepaid expenses | (94,844) | (37,494) |
| Increase (Decrease) In: | | |
| Accounts payable | (214,819) | (151,424) |
| Accrued expenses | 69,111 | 15,340 |
| Deferred revenue | 254,400 | (74) |
| Other liabilities | 6,624 | (13,783) |
| Net Cash Provided by Operating Activities | <u>1,116,796</u> | <u>518,838</u> |
| Cash Flows From Investing Activities: | | |
| Restricted deposits and funded reserves | (36,756) | (25,736) |
| Security deposits | (10,541) | 965 |
| Proceeds from sale of fixed assets | - | 395,370 |
| Purchase of fixed assets | (63,527) | (868,311) |
| Purchase of investments | - | (10,299) |
| Sale of investments | 1,409 | - |
| Net Cash Used by Investing Activities | <u>(109,415)</u> | <u>(508,011)</u> |
| Cash Flows From Financing Activities: | | |
| Borrowings from line of credit | 110,100 | 1,564,496 |
| Payments on line of credit | (743,319) | (1,232,045) |
| Payments on long term borrowings | (285,717) | (238,228) |
| Net change in due to/from related organizations | <u>(198,809)</u> | <u>(84,118)</u> |
| Net Cash Used by Financing Activities | <u>(1,117,745)</u> | <u>10,105</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (110,364) | 20,932 |
| Cash and Cash Equivalents, Beginning of Year | <u>191,326</u> | <u>170,394</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 80,962</u> | <u>\$ 191,326</u> |
| Supplemental disclosures of cash flow information: | | |
| Interest paid | <u>\$ 445,423</u> | <u>\$ 457,717</u> |
| Non-cash financing activities | <u>\$ -</u> | <u>\$ 132,000</u> |
| Debt forgiveness | <u>\$ 98,087</u> | <u>\$ -</u> |

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

HARBOR HOMES, INC.
Notes to the Financial Statements

1. Organization:

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

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

2. Summary of Significant Accounting Policies:

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

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Accounting for Contributions and Financial Statement Presentation

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

organizations and require a Statement of Financial Position, a Statement of Activities, a Statement of Functional Expenses, and a Statement of Cash Flows.

Basis of Accounting

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

Restricted and Unrestricted Revenue

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

Cash and Cash Equivalents

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

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Allowance for Doubtful Accounts

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

Patient Services Receivables, Net

Patient services receivables result from the health care services provided by the Organization's Federally Qualified Health Care Center. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other indicators.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization analyzes contractually due amounts and provides an allowance for doubtful collections and a provision for doubtful collections, if necessary. For receivables associated with self-pay patients, the Organization records a significant provision for doubtful collections in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collections efforts have been exhausted is charged off against the allowance for doubtful collections. The Organization has not changed its financial assistance policy in 2016. The Organization does not maintain a material allowance for doubtful collections from third-party payors, nor did it have significant write-offs from third-party payors.

Property and Equipment

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

Patient Service Revenues, Net

Patient service revenues, net is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services, net. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred. Included in third-party receivables are the outstanding uncompensated care pool payments.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see Note 25).

Functional Expenses

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

Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

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

Use of Estimates

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

Tax Status

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

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income

taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

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

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2016, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

Reclassifications

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

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

The carrying amount of the Organization's deposits with financial institutions was \$463,745 at June 30, 2016. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2016. The bank balance is categorized as follows:

| | | |
|--------------------|----|-----------------------|
| Insured by FDIC | \$ | 577,016 |
| Insured by SIPC | | <u>970</u> |
| Total Bank Balance | \$ | <u><u>577,986</u></u> |

4. Investments:

The Organization's investments are reported on the basis of quoted market prices and consist of the following at June 30, 2016:

| | <u>Cost</u> | <u>Market Value</u> | <u>Unrealized Gain or (Loss) To Date</u> |
|--------|------------------------|------------------------|------------------------------------------|
| Stocks | \$ <u>8,890</u> | \$ <u>8,890</u> | \$ <u>-</u> |
| Total | \$ <u><u>8,890</u></u> | \$ <u><u>8,890</u></u> | \$ <u><u>-</u></u> |

5. Receivables, Net:

Accounts receivable at June 30, 2016 consists of the following:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|-------------------|-------------------|--------------------|-------------------|
| Grants | \$ 699,014 | \$ - | \$ 699,014 |
| Medicaid | 59,271 | - | 59,271 |
| Other | 67,229 | - | 67,229 |
| Residents | 108,263 | (74,177) | 34,086 |
| Security deposits | <u>2,739</u> | <u>-</u> | <u>2,739</u> |
| Total | <u>\$ 936,516</u> | <u>\$ (74,177)</u> | <u>\$ 862,339</u> |

Patient accounts receivable, related to the Organization's federally qualified health care center, consisted of the following at June 30, 2016:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|----------|-------------------|---------------------|-------------------|
| Medicaid | \$ 336,379 | \$ (92,737) | \$ 243,642 |
| Medicare | 70,942 | (888) | 70,054 |
| Other | <u>268,500</u> | <u>(133,728)</u> | <u>134,772</u> |
| Total | <u>\$ 675,821</u> | <u>\$ (227,353)</u> | <u>\$ 448,468</u> |

6. Due From Related Organizations:

Due from related organizations represents amounts due to Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors (See Note 20). These balances exist because certain receipts and disbursements of the related organizations flow through the Harbor Homes, Inc. main operating cash account. The related organizations and their balances at June 30, 2016 are as follows:

| | |
|--------------------------------------------|-------------------|
| Current: | |
| Healthy at Home | \$ 52,208 |
| Southern NH HIV/AIDS Task Force | 7,941 |
| Greater Nashua Council on Alcoholism | 88,464 |
| HH Ownership, Inc. | 18,161 |
| Harbor Homes III, Inc. | <u>13,692</u> |
| Subtotal current | 180,466 |
| Noncurrent: | |
| Milford Regional Counseling Services, Inc. | 40,324 |
| Harbor Homes II, Inc. | 125,305 |
| Welcoming Light, Inc. | <u>152,988</u> |
| Subtotal noncurrent | <u>318,617</u> |
| Total | <u>\$ 499,083</u> |

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

7. Prepaid Expenses:

Prepaid expenses consist of the following items:

| | |
|------------------|-------------------|
| Prepaid deposits | \$ 78,884 |
| Prepaid HRA | 62,610 |
| Prepaid other | <u>19,419</u> |
| Total | <u>\$ 160,913</u> |

8. Property, Equipment and Depreciation:

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

| | |
|--------------------------------|----------------------|
| Land | \$ 1,747,190 |
| Land improvements | 12,290 |
| Buildings | 16,130,760 |
| Building improvements | 6,013,576 |
| Software | 443,476 |
| Vehicles | 211,878 |
| Furniture and fixtures | 148,622 |
| Equipment | 372,116 |
| Dental equipment | 141,716 |
| Medical equipment | <u>58,022</u> |
| Subtotal | 25,279,646 |
| Less: accumulated depreciation | <u>(6,139,851)</u> |
| Total | <u>\$ 19,139,795</u> |

Depreciation expense for the year ended June 30, 2016 totaled \$993,171.

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

| <u>Assets</u> | <u>Years</u> |
|---------------------------------|--------------|
| Land improvements | 15 |
| Buildings and improvements | 10 - 40 |
| Software | 3 |
| Vehicles | 3 |
| Furniture and fixtures | 5 - 7 |
| Equipment and medical equipment | 5 - 7 |

9. Restricted Deposits and Funded Reserves:

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

| | |
|---------------------------|-------------------|
| Security deposits | \$ 28,949 |
| Reserve for replacements | 349,466 |
| Residual receipt deposits | <u>4,368</u> |
| Total | <u>\$ 382,783</u> |

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

10. Beneficial Interest:

The Organization has a beneficial interest in the Harbor Homes, Inc. Fund (the Fund), a component fund of the New Hampshire Charitable Foundation's (the Foundation) Nashua Region. The Organization will receive distributions from the Fund based on a spending allocation, which is a percentage of the assets set by the Foundation and reviewed annually. The current spending percentage is 4.5% of the market value (using a 20-quarter average) of the Fund. At June 30, 2016, the value of the fund was \$143,756.

11. Accrued Expenses:

Accrued expenses include the following:

| | |
|--------------------------------------|-------------------|
| Mortgage interest | \$ 2,328 |
| Payroll and related taxes | 293,486 |
| Compensated absences - vacation time | 444,852 |
| Compensated absences - personal time | <u>48,461</u> |
| Total | <u>\$ 789,127</u> |

12. Line of Credit:

At June 30, 2016, the Organization had a \$1,000,000 of credit available from TD Bank, N. A. due February 28, 2017, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to

TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2016, the credit line had an outstanding balance of \$100,100 at an interest rate of 4.50%.

13. Deferred Revenue:

In 2016, the Organization entered an agreement with the State of New Hampshire to request a portion of the subsequent month's rent, in advance, for cash flow purposes. Deferred revenue represents July 2016 rents requested and advanced from the State of New Hampshire in June 2016.

14. Security Deposits:

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

15. Capital Leases:

The Organization is the lessee of certain equipment under a capital lease expiring in November of 2017. Future minimum lease payments under this lease are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2017 | \$ 47,985 |
| 2018 | <u>13,446</u> |
| Total | <u>\$ 61,431</u> |

At June 30, 2016, equipment of \$132,000, net of amortization of \$8,800, related to this capital lease.

16. Mortgages Payable, Tax Credits:

Mortgages payable, tax credits consist of a mortgage payable to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organizations, maturing in 2020, secured by real property located at 59 Factory Street in Nashua, NH. This amount is amortized over ten years at zero percent interest. The amount due at June 30, 2016 is \$100,323.

17. Mortgages Payable:

Mortgages payable as of June 30, 2016 consisted of the following:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,879, including principal and interest at an adjustable rate of for the initial ten years based on the then prevailing 10/30 Federal Home Loan Bank Amortizing Advance Rate plus 3.00% and resetting in year 11 based on the then prevailing 10/20 Federal Home Loan Bank Amortizing Advance Rate plus 3.00%, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH. | \$ 1,178,370 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,193, including principal and interest at an adjustable rate of 4.57% for twenty years, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH. | 1,163,073 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,768, including principal and interest at 7.05%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH. | 1,078,572 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,391, including principal and interest at 6.75%, maturing in 2031, secured by real property located at 45 High Street in Nashua, NH. | 673,666 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,126, including principal and interest at 6.97%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH. | 663,735 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$3,996, including principal and interest at 4.75%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH. | 623,110 |
| A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 7.27%, maturing in 2025, secured by real property located on Maple Street in Nashua, NH. | 422,816 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,692, including principal and interest at 4.75%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH. | 464,812 |

(continued)

(continued)

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,077, including principal and interest at 5.57% for the first five years, then adjusting in June 2015, 2020, 2025, and 2030 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 2.75%, maturing in 2035, secured by real property located at 189 Kinsley Street in Nashua, NH. | 292,426 |
| A mortgage payable to Mascoma Savings Bank, fsb., due in monthly installments of \$1,731, including principal and interest at 7.00% maturing in 2036, secured by real property located at 7 Trinity Street in Claremont, NH. | 225,359 |
| A mortgage payable to the Department of Housing and Urban Development, due in monthly installments of \$2,385, including principal and interest at 9.25%, maturing in 2022, secured by real property located at 3 Winter Street in Nashua, NH. | 134,099 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,144, including principal and interest at a variable rate (5.61% at June 30, 2012), maturing in 2029, secured by real property located at 24 Mulberry Street in Nashua, NH. | 123,753 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property located at 4 New Haven Drive, Unit 202 in Nashua, NH. | 96,438 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,283, including principal and interest at 3.73%, maturing in 2035, secured by real property located at 59 Factory Street in Nashua, NH. | <u>48,762</u> |
| Total | 7,188,991 |
| Less amount due within one year | <u>(256,680)</u> |
| Mortgages payable, net of current portion | <u><u>\$ 6,932,311</u></u> |

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2017 | \$ 256,680 |
| 2018 | 224,455 |
| 2019 | 235,277 |
| 2020 | 249,072 |
| 2021 | 263,737 |
| Thereafter | <u>5,959,770</u> |
| Total | \$ <u>7,188,991</u> |

18. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2016 totaling \$5,217,096. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

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

The following is a list of deferred mortgages payable at June 30, 2016:

| | |
|-----------------------------------|---------------------|
| City of Manchester: | |
| Somerville Street property | \$ <u>300,000</u> |
| Total City of Manchester | 300,000 |
| City of Nashua: | |
| Factory Street property | 580,000 |
| Spring Street property | 491,000 |
| High Street fire system | <u>65,000</u> |
| Total City of Nashua | 1,136,000 |
| Federal Home Loan Bank (FHLB): | |
| Factory Street property | 400,000 |
| Somerville Street property | 400,000 |
| Spring Street property | <u>398,747</u> |
| Total FHLB | 1,198,747 |
| NHHFA: | |
| Factory Street property | 1,000,000 |
| Spring Street property* | 550,000 |
| Charles Street property | 32,349 |
| Somerville Street property | <u>1,000,000</u> |
| Total NHHFA | <u>2,582,349</u> |
| Total Mortgages Payable, Deferred | \$ <u>5,217,096</u> |

* During fiscal year 2016, the Organization was out of compliance with the income eligibility terms of the loan agreement due to a tenant obtaining a higher income wage after entrance to the program. The lender is aware of the noncompliance and it is expected that this temporary noncompliance will be resolved when the specific tenant moves out.

19. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2016:

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------------------|--------------------------|
| Above and beyond | \$ 600 |
| Art supplies | 750 |
| Claremont | 15,000 |
| Client transportation | 1,826 |
| Christmas gifts | 400 |
| Dalianis bricks | 735 |
| Dentrix | 10,000 |
| Gilmore Center | 39,332 |
| Operation brightside | 2,000 |
| PEC | 108 |
| People's United grant | 8,250 |
| SCOAP | 2,205 |
| Software | 50,553 |
| Standdown | 2,325 |
| Thanksgiving | 978 |
| Veterans computers | 5,630 |
| Unitarian Church end homelessness | <u>6,445</u> |
| Total | \$ <u><u>147,137</u></u> |

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

20. Transactions with Related Parties:

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

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

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, Greater Nashua Council on Alcoholism, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$32,696, \$23,136 and \$54,336, respectively, for fiscal year 2016.

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

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

The following are the commonly controlled organizations:

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

21. Deferred Compensation Plans:

The Organization maintains a 403(b) retirement plan. Upon meeting the eligibility criteria, employees can contribute a portion of their wages to the plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2016 were \$235,265.

The Organization maintains a deferred compensation plan for certain employees and directors (the "SA Plan"). The deferred compensation liability under the SA Plan was \$107,215 as of June 30, 2016 and was recorded as a long-term liability. This liability is offset by a corresponding long-term asset.

22. Concentration of Risk:

The Organization received revenue as follows:

| | | |
|---------------------------------------------|----|-------------|
| Federal grants | \$ | 17% |
| State, local, and other agencies | | 23% |
| Department of Housing and Urban Development | | 18% |
| Department of Veterans Affairs | | 14% |
| Medicaid | | 8% |
| All other support and revenue | | <u>20%</u> |
| Total | \$ | <u>100%</u> |

23. Legal Settlement, Net:

In 2011, the State of New Hampshire removed the ability to bill for certain Medicaid services and the Organization filed suit. The Organization settled with the State in 2015 and was awarded \$1,350,000 in fiscal year 2016. The settlement was received net of legal fees.

24. Fair Value Measurements:

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

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;

- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and
- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

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

| | Carrying Value | Fair Value | Level One | Level Two | Level Three |
|--------------------------------|----------------------|----------------------|-------------------|----------------------|-------------------|
| Investments | \$ 8,890 | \$ 8,890 | \$ 8,890 | \$ - | \$ - |
| Due from related organizations | 499,083 | 499,083 | - | - | 499,083 |
| Beneficial interest | 143,756 | 143,756 | - | - | 143,756 |
| Deferred compensation plan | 100,591 | 100,591 | 100,591 | - | - |
| Total assets | <u>\$ 752,320</u> | <u>\$ 752,320</u> | <u>\$ 109,481</u> | <u>\$ -</u> | <u>\$ 642,839</u> |
| Line of credit | \$ 100,100 | \$ 100,100 | \$ - | \$ 100,100 | \$ - |
| Capital leases payable | 61,431 | 61,431 | - | 61,431 | - |
| Mortgages payable, tax credits | 100,323 | 100,323 | - | - | 100,323 |
| Mortgages payable | 7,188,991 | 7,188,991 | - | 7,188,991 | - |
| Mortgages payable, deferred | 5,217,096 | 5,217,096 | - | 5,217,096 | - |
| Total liabilities | <u>\$ 12,667,941</u> | <u>\$ 12,667,941</u> | <u>\$ -</u> | <u>\$ 12,567,618</u> | <u>\$ 100,323</u> |

Fair Value Measurements
Using Significant Unobservable Inputs
Level 3

| | Due from related organizations | Beneficial Interest | Due to related organizations | Mortgages Payable, Tax Credits |
|---------------------------------|--------------------------------------|------------------------|---------------------------------|--------------------------------------|
| Beginning balance June 30, 2015 | \$ 409,638 | \$ 149,503 | \$ 109,364 | \$ 121,367 |
| Advances | 505,581 | - | 151,998 | - |
| Reductions | (416,136) | (5,747) | (261,362) | (21,044) |
| Ending balance June 30, 2016 | <u>\$ 499,083</u> | <u>\$ 143,756</u> | <u>\$ -</u> | <u>\$ 100,323</u> |

25. Patient Service Revenue, Net:

The Organization recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare, third-party payor, and managed care plans coverage on the basis of contractual rates for services rendered. For uninsured self-pay patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates if negotiated or provided by the Organization's policy. Charity care services are computed using a sliding fee scale based on patient income and family size. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided.

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those costs for which no payment is anticipated. The Organization uses federally established poverty guidelines to assess the level of discount provided to the patient. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines, but may charge a nominal copay. If the patient is unable to pay the copay, the amount is written off to charity care. All patients are charged in accordance with a sliding fee discount program based on household size and household income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Patient services revenue, net of provision for bad debts and contractual allowances and discounts, consists of the following:

| | 2016 | | | 2015 | |
|-------------------------|---------------|------------------------|----------------------------|-----------------------------|-----------------------------|
| | Gross Charges | Contractual Allowances | Charitable Care Allowances | Net Patient Service Revenue | Net Patient Service Revenue |
| Medicaid | \$ 1,881,339 | \$ (721,905) | \$ - | \$ 1,159,434 | \$ 676,037 |
| Medicare | 581,152 | (334,815) | - | 246,337 | 145,904 |
| Third-party | 915,313 | (486,832) | - | 428,481 | 121,007 |
| Sliding fee/free care | 188,069 | - | (130,794) | 57,275 | 13,929 |
| Self-pay | 215,915 | - | (75,503) | 140,412 | 123,384 |
| Subtotal | 3,781,788 | (1,543,552) | (206,297) | 2,031,939 | 1,080,261 |
| Provision for bad debts | | | | (295,664) | (187,064) |
| Total | | | | \$ <u>1,736,275</u> | \$ <u>893,197</u> |

26. Rent Expense:

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately \$5.0m is comprised of leases held in the Organization's name and the responsibility of the Organization, leases in consumers' names, or rents paid as client assistance.

27. Contingencies:

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Organization, if any, are not presently determinable.

28. Subsequent Events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2016 through November 2, 2016, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

On August 17, 2016, the Organization entered into a revolving line of credit agreement. Under this agreement, \$500,000 is available to the Organization to provide for working capital requirements through February 18, 2017.

HARBOR HOMES, INC. AND AFFILIATES BOARD OF DIRECTORS

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

David Aponovich - (6/19)

[REDACTED]

(2nd term +)

Asst. Treasurer
- (Chair, Finance Committee)
- (Facilities Committee)
- (Executive Committee)

[REDACTED]

John Elsten - (6-18)

[REDACTED]

(1st term)

- (RDP Committee)

[REDACTED]

Jack Balcom - (6/18)

[REDACTED]

(1st term)

- (Facilities Committee)

[REDACTED]

Nathan Goodwin - (6-19)

[REDACTED]

(2nd term)

- (Governance Committee)
- (RDP Committee)

[REDACTED]

Vincent Chamberlain - (6/18)

[REDACTED]

(2nd term)

[REDACTED]

Joel Jaffe - (6-17)

[REDACTED]

(1st term)

Asst. Secretary
- (Executive Committee)

[REDACTED]

Kathy Costa - (6/18)

[REDACTED]

(1st term)

Secretary
- (Finance Committee)

[REDACTED]

Lynn King - (6-19)

[REDACTED]

(2nd term)

Chair of the Board
- (Chair, RDP Committee)

[REDACTED]

Dr. Vijay Dav'e - (6/18)

[REDACTED]

(1st term)

- (HCC Oversight Committee)

[REDACTED]

Ed McDonough - (6/19)

[REDACTED]

(1st term)

[REDACTED]

Laurie Des Rochers - (6-18)

[REDACTED]

(2nd term)

- (Facilities Committee)

[REDACTED]

Naomi Moody - (6/19)

[REDACTED]

(2nd term)

- (Ade Moody Fund Annual Fundraising Campaign)

[REDACTED]

Phil Duhaime - (6-17)

[REDACTED]

(1st term)

- (Governance Committee)
- (Executive Committee)

[REDACTED]

Rick Plante - (6/17)

[REDACTED]

(1st term)

- (Chair, Facilities Committee)
- (RDP Committee)

[REDACTED]

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)

Phil Richard - (6/17)

- (Facilities Committee)
- (Chair, Governance Committee)

[REDACTED]
(1st term)

[REDACTED]

Dan Sallet - (6/17)

- Treasurer**
- (Finance Committee)

[REDACTED]
(2nd term)

[REDACTED]

Trent Smith - (6/18)

- Vice Chair**
- (Chair Executive Committee)
- (Chair, HCC Oversight Committee)
- (RDP Committee)

[REDACTED]
(1st term)

[REDACTED]

PETER J. KELLEHER, CCSW, LICSW

PROFESSIONAL EXPERIENCE

- 2006-Present** President & CEO, Southern NH HIV Task Force
- 2002-Present** President & CEO, GNCA, Inc. Nashua, NH
- 1997-Present** President & CEO, Healthy At Home, Inc., Nashua, NH
- 1995-Present** President & CEO, Milford Regional Counseling Services, Inc., Milford, NH
- 1995-Present** President & CEO, Welcoming Light, Inc., Nashua, NH
- 1982-Present** President & CEO, Harbor Homes, Inc., Nashua, NH
Currently employed as chief executive officer 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 330 management and direct care professionals.
- 2003-2006** Consultant
Providing consultation and technical assistance throughout the State to aid service and mental health organizations.
- 1980 - 1982** Real Estate Broker, LeVaux Realty, Cambridge, MA
Successful sales and property management specialist.
- 1979 - 1980** Clinical Coordinator, Task Oriented Communities, Waltham, MA
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.
- 1978 - 1979** Faculty, Middlesex Community College, Bedford, MA
Instructor for an introductory group psychotherapy course offered through the Social Work Department.
- 1977 - 1979** Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.
- 1976** Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.
- 1971 - 1976** Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA
Major responsibilities consisted of psycho educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

EDUCATIONAL EXPERIENCE

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

LICENSES AND CERTIFICATIONS

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

PLACEMENTS

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

FIELD SUPERVISION

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

AWARDS

- 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

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

CAROL J. FURLONG, LCMHC, MAC, MBA

SKILLS / ABILITIES / ACHIEVEMENTS PROFILE

Administration: Seasoned professional with progressive experience in diverse healthcare and educational environments, including operations, budget control, marketing, quality assurance, risk management, utilization review, facility design and management, human resources, and strategic planning.

Management: Self-starter with strong planning, controlling, organizing and leadership skills. Effectively manages resources and ensures compliance with established policies and procedures. Skilled in identifying and troubleshooting problem areas and implementing solutions. Developed comprehensive Quality Management program. Restructured billing, triage and customer service systems resulting in improved productivity and efficiency. Extensive managed care experience.

Human Resources: Skilled in recruiting, interviewing and selecting top personnel. Effective trainer, develops staff abilities to full potential. Motivates and retains employees using the mentor approach. Managed and supervised training and development of 100 personnel. Knowledgeable regarding multicultural issues. Effectively trained and prepared counseling professionals.

Communication: Articulate speaker and effective negotiator. Writes with strength, clarity and style. Natural ability to work with others. Consistently develops good rapport with staff, professionals, staff managers and community. Works well as part of a team or independently. Wrote and published several training and procedural manuals.

PROFESSIONAL EXPERIENCE

VICE PRESIDENT OF OPERATIONS

Harbor Homes, Inc.

2005-present

Nashua, NH

Senior management position overseeing residential and administrative staff of approximately 250 employees and coordinating a continuum of service delivery for those experiencing mental illness and homelessness and other populations. Develops and updates program plans, assures monitoring of implementation and develops/implements corrective actions as indicated. Provides education/consultation to staff, other agencies or community groups. Provides direct or indirect supervision to a clinical staff of approximately 40 Program Managers and MIMS workers. Assures quality/appropriateness of critical aspects of care through ongoing monitoring.

DIRECTOR OF COMMUNITY SUPPORT SERVICES DEPARTMENT

Community Council of Nashua

2003 – 2005

Nashua, NH

Developed and updated program plans, assures monitoring of implementation and develops/implements corrective actions as indicated. Provides education/consultation to staff, other agencies or community groups. Provides supervision to a clinical staff of approximately 40 therapists, case managers and MIMS workers. Develops Regional Planning of adult services. Assures quality/appropriateness of critical aspects of care through ongoing monitoring.

DIRECTOR OF OUTCOMES & SYSTEM IMPROVEMENT

Community Council of Nashua

1999-2003

Nashua, NH

Developed and maintained a Quality Management Program complying with NCQA and JCAHO standards. Monitored and supervised utilization review, evaluating the medical necessity, case management and continuation of care. Developed effective medical records protocols. Directs training and development function for the agency. Coordinated efforts resulting in highly successful JCAHO survey. Coordinates Customer Service and complaints process.

ADJUNCT FACULTY

Rivier College

1990-2005

Nashua, NH

Graduate Counseling Program – Instruct graduate counseling students in a variety of courses to include Group Therapy, Counseling Techniques, Substance Abuse Counseling, Clinical Assessment, Marriage & Family Therapy, and Prescriptive Behavioral Management Techniques. Have facilitated several Independent Study courses in a variety of topics.

PRIVATE PRACTICE

Nashua, NH

1999-Present

Maintains private practice of approximately 40 clients. Coordinates care with primary care physicians and others. Coordinates treatment with managed care companies.

DIRECTOR OF REGIONAL BEHAVIORAL HEALTH QM**1997-1999****The Hitchcock Clinic****Bedford, NH**

Developed and maintained a Quality Management Program complying with NCQA standards for four Behavioral Health sites. Developed and implemented program expansion. Identified staffing requirements and facilitated subsequent downsizing to ensure cost effectiveness. Liaison between the Clinic and insurance plans. Monitored and supervised utilization review for the Southern Region, evaluating the medical necessity, case management and continuation of care. Recommended by insurance reviewers to other organizations for consultation services in order to assist these agencies in their compliance processes. Developed effective medical records protocols.

COORDINATOR OF MULTICULTURAL COUNSELING PROGRAM**1998-1999**

Rivier College

Nashua, NH

Coordinated the Bilingual/Multicultural Counseling Program in both guidance counseling and mental health fields. Recruits and advises professional students from local multicultural agencies. Developing a diversity-training program for use in area schools and businesses to enhance multicultural awareness. Instructor in Graduate Counseling Program.

CLINICAL DIRECTOR**1990-1997**

The Hitchcock Clinic

Nashua, NH

Developed and implemented program policies and procedures. Managed FTE and budgetary control while providing effective leadership to the staff. Improved out-referral system, while reducing out-referral expenditures. Developed cooperative collaboration measures with insurers' UM Departments. Supervised a staff of thirty employees. Senior member of the Regional Management Team, and also a member of the Nashua Medical Group Board of Governors.

PROGRAM DIRECTOR**1988-1990**

Partial Hospitalization Program, Brookside Hospital

Nashua, NH

Developed program components, structure, policies and procedures. Implemented FTE and budgetary control and supervised treatment staff. Initiated referral network and maintained marketing and referral relationships within the Greater Nashua community. Facilitated groups, provided case management and individual counseling including initial assessments. Monitored case management and utilization review processes with insurers.

PROGRAM DIRECTOR – SUBSTANCE ABUSE CLINIC**1985-1988**

Department of the Army

West Germany

Developed comprehensive preventive substance abuse program. Coordinated efforts with schools, civic organizations, civilian agencies and military organizations in order to integrate preventive education efforts. Supervised clinical and support staff of two treatment clinics. Maintained referral relationships with commanders.

ARMY COMMUNITY SERVICE DIRECTOR**1983-1985**

Department of the Army

West Germany

Developed comprehensive community support agency. Responsible for staffing and budgetary concerns. Composed informational publications, prepared financial and statistical reports and submitted budget requests to the U. S. government for agency funding. Responsible for FAP (Family Advocacy Program).

EDUCATION

**MASTERS OF BUSINESS ADMINISTRATION DEGREE
IN HEALTHCARE ADMINISTRATION - 2001**

Rivier College, Nashua

MASTERS OF SCIENCE IN EDUCATION (COUNSELING) - 1986

University of Southern California

BACHELORS IN EDUCATION (SPECIAL EDUCATION) –1974

Westfield State College, Westfield, MA

LICENSES AND CERTIFICATIONS

LICENSED CLINICAL MENTAL HEALTH COUNSELOR

New Hampshire License #100 – 1998

MASTERS ADDICTION COUNSELOR CERTIFICATION

1997

Patricia A. Robitaille, CPA

TEL:

PROFILE

- 12 years experience in Public Accounting
- Management experience
- Diversified industry exposure
- Counselor and mentor
- Training experience
- Knowledge of multiple computer programs
- Excellent client rapport
- Tax preparation experience

PROFESSIONAL EXPERIENCE

Jan. 2009-Present *Vice President of Finance* Harbor Homes, Inc. and Affiliates

Jan. 2007 – Oct. 2008 *Audit Manager* Ernst Young LLP, Manchester, NH

- Managed audits of private corporations with revenues up to \$200 million
- Assisted as manager of audits for public corporations with revenues up to \$400 million
- Reviewed and assisted preparation of financial statements, 10Q quarterly filings and 10K annual filings
- Analyzed and reviewed internal control under Section 404 of the Sarbanes Oxley Act
- Prepared management comments in conjunction with material weakness or significant deficiencies

Jun. 1997 – Jan. 2007 *Audit Supervisor* Melanson Heath & Company, P.C., Nashua, NH

- Supervise/train various teams for commercial, not-for-profit, and municipal audits and agreed upon procedures
- Audit services include balance sheet reconciliation including inventory control
- Preparation and presentation of financial statements
- Preparation of management comment letters for internal quality improvement
- Assist clients with all aspects of accounting
- Preparation of budgets and cash forecasting
- Consulting services to clients including maximization of profits
- Extensive corporate tax preparation experience

1995 – 1997 *Accounting/Office Manager* Harbor Hardware Company, Nashua, NH

- Management of a five-person staff
- Overview accounts receivable, accounts payable and general ledger reconciliation
- Responsible for inventory management, preparation for year-end audit and collaboration with external auditors
- Prepared monthly internal financial statements
- Responsible for payroll including quarterlies and year-end reporting

EDUCATION

1988-1991 River College, Nashua, NH -- Bachelor of Science, Accounting

OTHER ACHIEVEMENTS

Licensed Certified Public Accountant in the State of New Hampshire
Member of the New Hampshire Society of Certified Public Accountants
Member of the American Institute of Certified Public Accountants

SOFTWARE EXPERIENCE

Excel, Word, Powerpoint, Pro-Fx Tax software, Pro-Fx Trial balance software, Quickbooks,
Peachtree, T-Value, various auditing software programs

Ana Pancine

| | |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Career Focus</p> | <p>Finance Professional with extensive experience in audit requirements, budget and forecasting, operational and variance analysis, financial reporting and full cycle of month-end closing. Proficient on time management to ensure accurate and timely reporting, as well as, skillful with a wide variety of software applications, including SAP, SAGE, MIP and custom accounting software.</p> |
| <p>Past Accomplishments</p> | <ul style="list-style-type: none"> • Prepared/Assisted on local hospitals contract with Agency to receive maximum reimbursement for new project. • Created several finance/accounting policy and procedures to ensure Federal guidelines are being met. • Achieved revenue objective by implementing cost-cutting measures. • Assessed accounting system structures and converted acquired company's accounting system to SAGE and SAP. • Reviewed posting and documents for correct entry, mathematical accuracy and proper coding and eliminated all errors showing on metrics and financial reports. • Developed several financial reports for the organization to ensure financial transparency. • Uncovered \$500,000 process errors with development of multiple source analytical auditing tools. • Maintain an error free audit with no management letters or comments for five years. • Completed several implementation changes within the financial department. |
| <p>Experience</p> | <p>Harbor Homes Inc. Nashua, NH November 2007 – Present</p> <p>Financial Controller</p> <ul style="list-style-type: none"> • Budget development for 92 cost centers and 8 affiliated agencies with annual expenses and revenue over \$22m • Supervise and Manage Business/Finance Office team composed by 15 staff members, performing duties such as: A/R, A/P, Staff Accountant, Senior Staff Accountant, Credentialing, Medicare/Medicaid/Private/Self-pay Billing. • Prepare operational and variance analysis for financial presentation based on organization, State and Federal guideline. • Internal and external reports for several State & Federal projects. • Prepare complex financial statements, internal/annual reports for planning and oversight of each program within organization • Prepare and review for accuracy all profit and loss, general ledger, trial balance reports for all 92 cost centers on a monthly basis • Knowledge of planning techniques, test and sampling methods involved in conducting audits. • Extensive experience with Financial Statements audits, reviews, compilations and audits for Governmental organizations (A-133). • Managed annual external audit resulting in no findings and no management comments on A-133 audits. • Provide support to VP of Finance on all special projects, as well as, current back up for this position. • Maintained accurate accounts including cash, inventory, prepaid, fixed assets, accounts payable, accrued expenses and line of credit transactions. • Provide oversight/approval for all general ledger entries, revenue recognition, purchase orders approvals, as well as all day to day accounting concerns/issues. |

| | | |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p style="text-align: right;">Per Event Administrator <i>August 2001 – June 2003</i></p> <ul style="list-style-type: none"> • Responsible for billing revenue. • Maintenance of contracts, including service changes and billing. • General office filing and organization. • Data Entry. • Assisting customer needs. • Solving any customer issues. • Revenue booking and customer assistance for Latin America/Caribbean territory. • Assistant and service provided for all customer located in the Latin America/Caribbean/Europe territory | |
| Skills | <ul style="list-style-type: none"> • Windows • SIFT – Financial Database • Microsoft Office • Fundware/F9 | <ul style="list-style-type: none"> • PEARS/CHAMP/WFM • NCAS/SAP • SAGE - MIP • Fluent in Portuguese • Proficient in Spanish |
| Education | <p>Hesser College</p> <ul style="list-style-type: none"> • Bachelor of Science, Business Administration –concentration in Finance – Oct 2005 • Trained Medical Interpreter – Portuguese & Spanish • Trained Translator – Portuguese • Skilled USCIS Interpreter <p>Southern NH University</p> <ul style="list-style-type: none"> • MBA in Finance – graduation on May, 2017 | |

HARBOR HOMES, INC.

April 7th, 2017

Key Personnel

| Name | Job Title | Salary | % Paid from this Contract | Amount Paid from this Contract |
|---------------------|----------------------------|-----------|---------------------------|--------------------------------|
| Peter Kelleher | President & CEO | \$188,279 | 2% | \$3,766 |
| Carol Furlong | Vice President, Operations | \$119,995 | 5% | \$6,000 |
| Patricia Robitaille | VP of Finance | \$130,000 | 3% | \$3,900 |
| Ana Pancine | Financial Controller | \$75,000 | 5% | \$3,750 |
| | | | | |



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

Nicholas A. Toumpas
 Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9422 1-800-852-3345 Ext. 9422
 Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Kathleen A. Dunn
 Associate Commissioner
 Medicaid Director

May 4, 2015

G&C Approved

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

Date 6/10/15
 Item # 7

Requested Action

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

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

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

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

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

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

Explanation

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

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

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

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

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

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

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


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

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

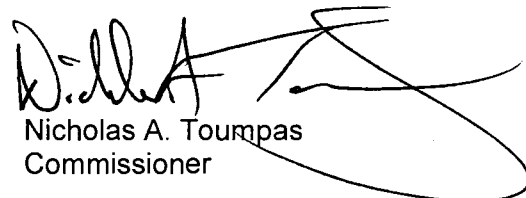
Area served: Statewide

Source of funds: 100% General Funds

Respectfully submitted,


Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

Approved by:


Nicholas A. Toumpas
Commissioner

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



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

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

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

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

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

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

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

To amend as follows:

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

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

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

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



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

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

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

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



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

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

State of New Hampshire
Department of Health and Human Services

5/4/15
Date

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

4/22/15
Date

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

Acknowledgement:

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

Signature of Notary Public or Justice of the Peace

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



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



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

OFFICE OF THE ATTORNEY GENERAL

Date 8/15/15

Name: Megan A. J. [unclear]
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____

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

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

Bidder/Program Name: Harbor Homes Inc.

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

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

1

| Line Item | 10/1/14 | 11/1/14 | 12/1/14 | 1/1/15 | 2/1/15 | 3/1/15 | 4/1/15 | 5/1/15 | 6/30/15 | Total |
|-----------------------------------------|------------------------|----------------------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------|
| 1. Total Salary/Wages | \$ 158,400.00 | \$ 19,008.00 | \$ 177,408.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 177,408.00 |
| 2. Employee Benefits | \$ 44,352.00 | \$ 5,322.00 | \$ 49,674.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 49,674.00 |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4. Equipment: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ 8,000.00 | \$ 960.00 | \$ 8,960.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,960.00 |
| 5. Supplies: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 3,600.00 | \$ 432.00 | \$ 4,032.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,032.00 |
| 6. Travel | \$ 35,000.00 | \$ 4,200.00 | \$ 39,200.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 39,200.00 |
| 7. Occupancy | \$ 1,716,233.00 | \$ 205,800.00 | \$ 1,922,033.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,922,033.00 |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 4,320.00 | \$ 518.00 | \$ 4,838.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,838.00 |
| Postage | \$ 748.00 | \$ 90.00 | \$ 838.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 838.00 |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 6,336.00 | \$ 714.00 | \$ 7,050.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,050.00 |
| 9. Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10. Marketing/Communications | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11. Staff Education and Training | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 1,976,989.00 | \$ 237,044.00 | \$ 2,214,033.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,214,033.00 |

Indirect As A Percent of Direct 12.0%

Contractor Initials: *PK*
Date: 4/22/15



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

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

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

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

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Contractor Initials

JK

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

4/22/15

New Hampshire Department of Health and Human Services
Exhibit G



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

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

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

Contractor Name: Harbor Homes Inc.

4/22/15
Date

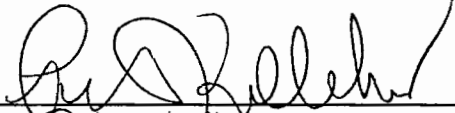

Name: Peter Kelleher
Title: President & CEO

Exhibit G

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

Contractor Initials PK

Date 4/22/15

53

4v 16



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

Nicholas A. Toumpas
 Commissioner

Diane Langley
 Director

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

October 3, 2014

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

Retroactive

REQUESTED ACTION

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

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

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

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

EXPLANATION

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

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

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

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

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

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

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

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

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

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

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

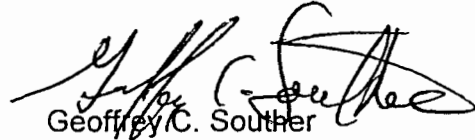
The attached contract calls for the provision of these services for two years and reserves the Department's right to renew the agreement for up to two additional years, based upon the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

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

Area served: Statewide

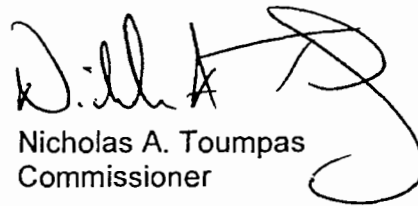
Source of funds: 100% General Funds

Respectfully submitted,



Geoffrey C. Souther
Director

Approved by:



Nicholas A. Toumpas
Commissioner



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

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

15-DHHS-DCBCS-BBH-02

RFP Name

RFP Number

Reviewer Names

Bidder Name

1. Harbor Homes, Inc.
2. NFI North, Inc.
3. 0
4. 0

| Pass/Fail | Maximum Points |
|-----------|----------------|
| | 235 |
| | 235 |
| | 235 |
| | 235 |

1. Beth Nichols, BBH, Planning Analyst & Program Coordinator
2. Dolly Foster, NHH, Assistant Administrator
3. Patricia Jackson, BHHS, Program Planning & Review Specialist
4. Tom Grinley, BBH, Program Planner I
5. Ann Driscoll, BEAS/BBH, Administrator II
6. Peter Reid, BBH, Administrator III

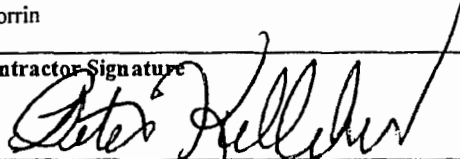
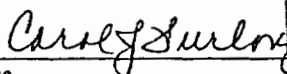
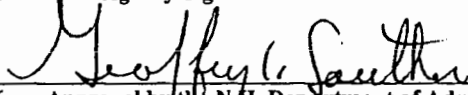
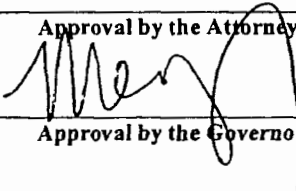
Subject: Housing Bridge Subsidy Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------|
| 1.1 State Agency Name Department of Health & Human Services Bureau of Behavior Health Services | | 1.2 State Agency Address 129 Pleasant St. Concord, NH 03301 | |
| 1.3 Contractor Name Harbor Homes, Inc. | | 1.4 Contractor Address 45 High Street Nashua, NH 03060 | |
| 1.5 Contractor Phone Number (603) 882-3616 | 1.6 Account Number 05-095-092-920010- 59450000-102-500731- 92205945 | 1.7 Completion Date June 30, 2017 | 1.8 Price Limitation \$9,948,020 |
| 1.9 Contracting Officer for State Agency Eric D. Borrin | | 1.10 State Agency Telephone Number (603) 271-9558 | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory Peter Kelleher, President & CEO | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>9/16/14</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace [Seal]  | | | |
| 1.13.2 Name and Title of Notary or Justice of the Peace CAROL J. FURLONG, LCMHC, VP, OPERATIONS - HH1 | | | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory Geoffrey L. Sautter, Interim Director | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Yale - Attorney General On: <u>10/13/14</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.

Contractor Initials: JK
Date: 9/16/14

8. EVENT OF DEFAULT/REMEDIES.

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

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

Contractor Initials: JK
Date: 9/11/19

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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



Scope of Services

1. Provisions Applicable to All Services

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

2. Scope of Work

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

[Handwritten Signature]

9/16/14



Exhibit A

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

Qli

9/16/14



Exhibit A

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

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

3. Reporting Requirement

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

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

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

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

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

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



Exhibit A

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

4. Requirements of Delivery of Services

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

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

4.2. The Contractor shall ensure:

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

PK

9/16/14

Exhibit B-1

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

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

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

| Line Item | Direct | | Indirect | | Total | Total | | Total |
|-----------------------------------------|-----------------|---------------|-----------------|-----------|-----------------|----------|-----------|-----------------|
| | Material | Equipment | Material | Equipment | | Material | Equipment | |
| 1. Total Salary/Wages | \$ 158,400.00 | \$ 19,008.00 | \$ 177,408.00 | \$ - | \$ 177,408.00 | \$ - | \$ - | \$ 177,408.00 |
| 2. Employee Benefits | \$ 44,352.00 | \$ 5,322.00 | \$ 49,674.00 | \$ - | \$ 49,674.00 | \$ - | \$ - | \$ 49,674.00 |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4. Equipment: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ 8,000.00 | \$ 960.00 | \$ 8,960.00 | \$ - | \$ 8,960.00 | \$ - | \$ - | \$ 8,960.00 |
| 5. Supplies: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 3,600.00 | \$ 432.00 | \$ 4,032.00 | \$ - | \$ 4,032.00 | \$ - | \$ - | \$ 4,032.00 |
| 6. Travel | \$ 35,000.00 | \$ 4,200.00 | \$ 39,200.00 | \$ - | \$ 39,200.00 | \$ - | \$ - | \$ 39,200.00 |
| 7. Occupancy | \$ 1,635,000.00 | \$ 196,200.00 | \$ 1,831,200.00 | \$ - | \$ 1,831,200.00 | \$ - | \$ - | \$ 1,831,200.00 |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 4,320.00 | \$ 518.00 | \$ 4,838.00 | \$ - | \$ 4,838.00 | \$ - | \$ - | \$ 4,838.00 |
| Postage | \$ 748.00 | \$ 90.00 | \$ 838.00 | \$ - | \$ 838.00 | \$ - | \$ - | \$ 838.00 |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 6,336.00 | \$ 714.00 | \$ 7,050.00 | \$ - | \$ 7,050.00 | \$ - | \$ - | \$ 7,050.00 |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9. Marketing/Communications | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10. Staff Education and Training | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 1,895,756.00 | \$ 227,444.00 | \$ 2,123,200.00 | \$ - | \$ 2,123,200.00 | \$ - | \$ - | \$ 2,123,200.00 |
| Indirect As A Percent of Direct | | | | | | 12.0% | | |

Contractor Initials: PK
Date: 10/11/14

Exhibit B-2

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

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

Budget Period: July 1, 2015 - June 30, 2016

| Line Item | Bidder/Program Goal | | Contractor Share/Match | | Funds/Other | | Total | |
|-----------------------------------------|---------------------|---------------|------------------------|-------|-----------------|---------------|-----------------|-----------------|
| | Incremental | Fixed | Incremental | Fixed | Incremental | Fixed | Incremental | Fixed |
| 1. Total Salary/Wages | \$ 218,000.00 | \$ 26,160.00 | \$ - | \$ - | \$ 218,000.00 | \$ 26,160.00 | \$ 244,160.00 | \$ 244,160.00 |
| 2. Employee Benefits | \$ 61,040.00 | \$ 7,325.00 | \$ - | \$ - | \$ 61,040.00 | \$ 7,325.00 | \$ 68,365.00 | \$ 68,365.00 |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4. Equipment: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5. Supplies: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 240.00 | \$ 29.00 | \$ - | \$ - | \$ 240.00 | \$ 29.00 | \$ 269.00 | \$ 269.00 |
| 6. Travel | \$ 46,500.00 | \$ 5,580.00 | \$ - | \$ - | \$ 46,500.00 | \$ 5,580.00 | \$ 52,080.00 | \$ 52,080.00 |
| 7. Occupancy | \$ 2,883,000.00 | \$ 345,960.00 | \$ - | \$ - | \$ 2,883,000.00 | \$ 345,960.00 | \$ 3,228,960.00 | \$ 3,228,960.00 |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 7,200.00 | \$ 864.00 | \$ - | \$ - | \$ 7,200.00 | \$ 864.00 | \$ 8,064.00 | \$ 8,064.00 |
| Postage | \$ 889.00 | \$ 107.00 | \$ - | \$ - | \$ 889.00 | \$ 107.00 | \$ 996.00 | \$ 996.00 |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 8,720.00 | \$ 1,046.00 | \$ - | \$ - | \$ 8,720.00 | \$ 1,046.00 | \$ 9,766.00 | \$ 9,766.00 |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9. Marketing/Communications | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10. Staff Education and Training | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 3,225,589.00 | \$ 387,071.00 | \$ - | \$ - | \$ 3,225,589.00 | \$ 387,071.00 | \$ 3,612,660.00 | \$ 3,612,660.00 |

Indirect As A Percent of Direct 12.0%

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

Exhibit B-3

| Line Item | Total Program Expenses | | Contractor/Share/Match | | Funds/DHS/Submit | | Total |
|-----------------------------------------|------------------------|---------------|------------------------|-------|------------------|---------------|-----------------|
| | Incremental | Fixed | Incremental | Fixed | Incremental | Fixed | |
| 1. Total Salary/Wages | \$ 218,000.00 | \$ 26,160.00 | \$ - | \$ - | \$ 218,000.00 | \$ 26,160.00 | \$ 244,160.00 |
| 2. Employee Benefits | \$ 61,040.00 | \$ 7,325.00 | \$ - | \$ - | \$ 61,040.00 | \$ 7,325.00 | \$ 68,365.00 |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4. Equipment: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5. Supplies: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 240.00 | \$ 29.00 | \$ - | \$ - | \$ 240.00 | \$ 29.00 | \$ 269.00 |
| 6. Travel | \$ 38,000.00 | \$ 4,560.00 | \$ - | \$ - | \$ 38,000.00 | \$ 4,560.00 | \$ 42,560.00 |
| 7. Occupancy | \$ 3,427,200.00 | \$ 411,264.00 | \$ - | \$ - | \$ 3,427,200.00 | \$ 411,264.00 | \$ 3,838,464.00 |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 7,200.00 | \$ 864.00 | \$ - | \$ - | \$ 7,200.00 | \$ 864.00 | \$ 8,064.00 |
| Postage | \$ 457.00 | \$ 55.00 | \$ - | \$ - | \$ 457.00 | \$ 55.00 | \$ 512.00 |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 8,720.00 | \$ 1,046.00 | \$ - | \$ - | \$ 8,720.00 | \$ 1,046.00 | \$ 9,766.00 |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9. Marketing/Communications | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10. Staff Education and Training | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 3,760,857.00 | \$ 451,303.00 | \$ - | \$ - | \$ 3,760,857.00 | \$ 451,303.00 | \$ 4,212,160.00 |

Indirect As A Percent of Direct
12.0%

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

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



SPECIAL PROVISIONS

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

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

New Hampshire Department of Health and Human Services
Exhibit C



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

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

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

New Hampshire Department of Health and Human Services
Exhibit C



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

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

New Hampshire Department of Health and Human Services
Exhibit C



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

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

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

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.
19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
- When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis

New Hampshire Department of Health and Human Services
Exhibit C



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

[Handwritten Signature]
Date 9/16/14



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. The Department reserves the right to renew the Agreement for up to two additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Executive Council.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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


ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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


9/16/14

New Hampshire Department of Health and Human Services
Exhibit D



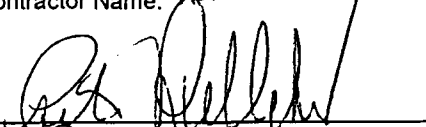
has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

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

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

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

9/16/14
Date

Contractor Name: Harbor Homes Inc.

Name: Peter Keller
Title: President & CEO

Contractor Initials PK
Date 9/16/14



CERTIFICATION REGARDING LOBBYING

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

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

- Programs (indicate applicable program covered):
- *Temporary Assistance to Needy Families under Title IV-A
 - *Child Support Enforcement Program under Title IV-D
 - *Social Services Block Grant Program under Title XX
 - *Medicaid Program under Title XIX
 - *Community Services Block Grant under Title VI
 - *Child Care Development Block Grant under Title IV

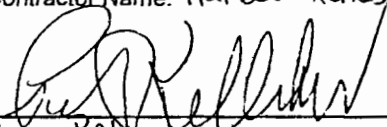
The undersigned certifies, to the best of his or her knowledge and belief, that:

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

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

Contractor Name: Harbor Homes, Inc.

9/16/14
Date


Name: Peter Kelleher
Title: President & CEO



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

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

INSTRUCTIONS FOR CERTIFICATION

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

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

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

PRIMARY COVERED TRANSACTIONS

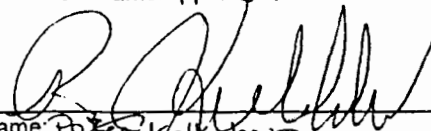
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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


LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Harbor Homes Inc.

9/16/14
Date


Name: Robert Kelkehar
Title: President & CEO

Contractor Initials 
Date 9/16/14



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

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

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

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

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

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

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9/16/14

New Hampshire Department of Health and Human Services
Exhibit G



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

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

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

Contractor Name: Harbor Home, Inc.

Name: Peter Kelleher
Title: President & CEO

9/16/14

Date

Contractor Initials

Date

PK
9/16/14