



Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

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

105 PLEASANT STREET, CONCORD, NH 03301
603-271-6738 1-800-804-0909
Fax: 603-271-6105 TDD Access: 1-800-735-2964

May 25, 2018

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Bureau of Drug and Alcohol Services, to amend a **sole source** agreement with Harbor Homes, Inc. (Vendor # 155358-B001), 77 Northeastern Boulevard, Nashua, NH 03060 by making changes to the scope of work, payment schedules and terms and conditions of the contract; increasing the price limitation of \$4,616,000 by \$244,391 to \$4,860,391. This will amend an existing contract to increase the number of Recovery Community Centers (RCCs) and ensure they meet the standards required of a Recovery Community Center, to be effective upon Governor and Executive Council approval. This agreement was originally approved by Governor and Council on June 1, 2016, (Item #13) and amended on June 7, 2017 (Item #20). 13.19% General Funds, 45.59% Other Funds and 41.22% Federal Funds.

Funds to support this request are available in the following accounts in State Fiscal Years 2017, 2018 and 2019 with the ability to adjust encumbrances between State Fiscal Years through the Budget Office without further approval from the Governor and Executive Council, if needed and justified.

| State Fiscal Year | Class/Account | Class Title | Current Budget | Modified | Increased (Decreased) Amount | Revised Modified Budget |
|-------------------|---------------|-------------------------|--------------------|----------|------------------------------|-------------------------|
| 2016 | 102-500734 | Contracts for Prog Svcs | \$6,000 | | \$0 | \$6,000 |
| 2017 | 102-500734 | Contracts for Prog Svcs | \$1,610,000 | | \$0 | \$1,610,000 |
| 2018 | 102-500734 | Contracts for Prog Svcs | \$1,500,000 | | \$104,098 | \$1,604,098 |
| 2019 | 102-500734 | Contracts for Prog Svcs | \$1,500,000 | | \$140,293 | \$1,640,293 |
| | | Total | \$4,616,000 | | \$244,391 | \$4,860,391 |

05-95-491510-29890000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL, SVCS, GOVERNOR COMMISSION FUNDS

| SFY | Class/Account | Class Title | Activity/Job Number Code | Current Modified Budget | Increased/ (Decreased) Amount | Revised Modified Budget |
|------|---------------|--------------------------|--------------------------|-------------------------|-------------------------------|-------------------------|
| 2016 | 102-500734 | Contracts for Social Svc | 49158501 | \$2,820 | 0 | \$2,820 |
| 2017 | 102-500734 | Contracts for Social Svc | 49158501 | \$813,180 | \$0 | \$813,180 |
| | | | <i>Subtotal</i> | <i>\$816,000</i> | <i>\$0</i> | <i>\$816,000</i> |

05-95-491510-29900000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL, SVCS, CLINICAL SERVICES

| SFY | Class/Account | Class Title | Activity/Job Number Code | Current Modified Budget | Increased/ (Decreased) Amount | Revised Modified Budget |
|------|---------------|--------------------------|--------------------------|-------------------------|-------------------------------|-------------------------|
| 2016 | 102-500734 | Contracts for Social Svc | 49156501 | \$3,180 | 0 | \$3,180 |
| 2017 | 102-500734 | Contracts for Social Svc | 49156501 | \$796,820 | 0 | \$796,820 |
| | | | <i>Subtotal</i> | <i>\$800,000</i> | <i>\$ 0</i> | <i>\$800,000</i> |

05-95-920510-33820000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL SVCS, GOVERNOR COMMISSION FUNDS

| SFY | Class/Account | Class Title | Activity/Job Number Code | Current Modified Budget | Increased/ (Decreased) Amount | Revised Modified Budget |
|------|---------------|--------------------------|--------------------------|-------------------------|-------------------------------|-------------------------|
| 2018 | 102-500734 | Contracts for Social Svc | 92058503 | \$700,000 | \$0 | \$700,000 |
| 2019 | 102-500734 | Contracts for Social Svc | 92058503 | \$700,000 | \$0 | \$700,000 |
| | | | <i>Subtotal</i> | <i>\$1,400,000</i> | <i>\$0</i> | <i>\$1,400,000</i> |

05-95-920510-33840000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL SVCS, CLINICAL SERVICES

| SFY | Class/Account | Class Title | Activity/Job Number Code | Current Modified Budget | Increased/ (Decreased) Amount | Revised Modified Budget |
|------|---------------|--------------------------|--------------------------|-------------------------|-------------------------------|-------------------------|
| 2018 | 102-500734 | Contracts for Social Svc | 92056501 | \$800,000 | \$104,098 | \$904,098 |

| | | | | | | |
|------|------------|-------------------------------|-----------------|--------------------|------------------|--------------------|
| 2019 | 102-500734 | Contracts for Social Svc | 92056501 | \$800,000 | \$0 | \$800,000 |
| 2019 | 102-500734 | Contracts for Social Services | 92056505 | \$0 | \$140,293 | \$140,293 |
| | | | <i>Subtotal</i> | <i>\$1,600,000</i> | <i>\$244,391</i> | <i>\$1,844,391</i> |
| | | | TOTAL | \$4,616,000 | \$244,391 | \$4,860,391 |

EXPLANATION

This request is **sole source** as Harbor Homes, Inc. is currently under contract to provide services as the Peer Recovery Support Services Facilitating Organization (PRSS FO) to support the development of Recovery Community Centers (RCCs). If approved, this amendment will add funding for Harbor Homes to support an RCC in the Claremont region and at least one additional RCC.

Funds in this agreement will be used to assess and enhance the level of accreditation readiness of each of the RCCs and to provide program management and oversight. Additionally, the vendor will implement a quality improvement process in collaboration with the Department and other Peer Recovery Support Services (PRSSs) and implement culturally appropriate processes and outcome data collection and analysis.

In response to Hope for New Hampshire Recovery's decision to no longer provide recovery services in the Claremont region, a community decision was made to establish a new peer recovery center in order to continue providing this valuable resource. Community partners developed a proposal for the development and implementation of a more comprehensive recovery community center and requested funds be made available through the PRSS FO to sub-contract with Claremont TLC Family Resource Center and to support and ensure that the RCC meets appropriate standards for a Recovery Community Organization, recovery center and peer recovery support services.

Notwithstanding any other provision of the Contract to the contrary, no services shall be provided after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019.

The following performance measures/objectives will be used to measure the effectiveness of the agreement:

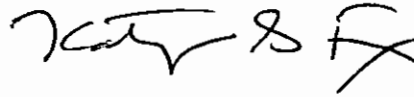
- Operating Recovery Community Organizations;
- Each RCC meets CAPRSS accreditation standards;
- Engaging individuals with "lived experience" in completing requirements to provide Peer Recovery Support Services, including completing the "Recovery Coach" training and becoming a Certified Recovery Support Worker (CRSW) under the Board of Licensing for Alcohol and Other Drug Use Professionals;
- Having the mechanisms and protocols in place to collect client information, including process and outcome data;
- Providing Peer Recovery Support Services

Should the Governor and Executive Council not authorize this Request, the Department's overall strategy to address the disease of addiction to alcohol and drugs may be negatively impacted, with fewer individuals gaining and maintaining recovery. Without access to a community-based PRSS, many of them may require additional intensive treatment services. Others may continue in their active addiction, leading to negative medical, legal and child welfare consequences for those persons, their families and society, incurring much higher costs to the Department and state.


Area served: Statewide.

Source of Funds: 41.22% Federal Funds from United States Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.959 FAIN TI010035 and 45.59% Other Funds from the Governor's Commission Funds and 13.19% General Funds.

Respectfully submitted,



Katja S. Fox
Director

Approved by: 

Jeffrey A. Meyers
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #2 to the**

PRSS Facilitating Organization Services Contract

This 2nd Amendment to the PRSS Facilitating Organization Services contract (hereinafter referred to as "Amendment #2") dated this 24th day of April, 2018, 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 corporation with a place of business at 45 High Street, Nashua, NH.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 1, 2016 (Item #13), as amended on June 7, 2017 (Item #20) the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended 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 Form P-37, General Provisions, Paragraph 18 the State may modify the scope of work and the payment schedule of the contract upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to increase the price limitation, and modify the scope of services to support continued delivery of these services; and

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 to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$4,860,391.
2. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
E. Maria Reinemann, Esq., Director of Contracts and Procurement.
3. Form P-37, General Provisions, Block 1.10, State Agency Telephone Number, to read:
603-271-9330.
4. Delete Exhibit A, Amendment #1 in its entirety and replace with Exhibit A, Amendment #2.
5. Add Exhibit K, DHHS Information Security Requirements



New Hampshire Department of Health and Human Services
PRSS Facilitating Organization Services

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

06/14/18
Date

[Signature]
Name: Katja S Fox
Title: Director

CONTRACTOR NAME

5/23/18
Date

[Signature]
Name: Peter Kelleher
Title: President & CEO

Acknowledgement of Contractor's signature:

State of New Hampshire, County of Hillsborough on 5/23/2018, before the undersigned officer, personally appeared the person identified directly 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]
Signature of Notary Public or Justice of the Peace

William C Martin
Name and Title of Notary or Justice of the Peace



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



**New Hampshire Department of Health and Human Services
PRSS Facilitating Organization Services**

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

OFFICE OF THE ATTORNEY GENERAL

6/11/18
Date

[Signature]
Name: Megan A. Cole
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. The Contractor will 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.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. For the purposes of this contract, any reference to days shall mean consecutive calendar days, unless otherwise denoted as business days.
- 1.4. For the purposes of this contract, any reference to business days shall mean Monday through Friday, excluding State Employee holidays.
- 1.5. The Contractor shall conduct an assessment of Recovery Community Centers (RCCs) to determine the level of readiness for each RCC to become accredited according to the standards set forth by the Council on Accreditation of Peer Recovery Support Services (CAPRSS).
- 1.6. The Contractor shall collaborate with the CAPRSS to provide each RCC with assistance to meet accreditation standards set forth by the CAPRSS.
- 1.7. The Contractor shall collaborate with other Peer Recovery Support Services (PRSS) technical assistance assets to assess the capacity of each RCC relative to the core and optional standards defined by the Council of Accreditation of Peer Recovery Support Services (CAPRSS).
- 1.8. The Contractor shall work with the Department and RCCs to determine culturally appropriate process and outcome data collection and analysis.
- 1.9. The Contractor shall provide program management and oversight as well as implement a quality improvement process.

2. Scope of Services

- 2.1. The Contractor shall complete an accreditation readiness scan of all known Recovery Community Centers (RCCs), statewide. The Contractor shall:
 - 2.1.1. Determine each RCC's ability to achieve Council of Accreditation of Peer Recovery Support Services (CAPRSS) accreditation.
 - 2.1.2. Determine each RCC's ability to open a Recovery Center.
 - 2.1.3. Determine each RCC's capacity to provide Peer Recovery Support Services (PRSS).



- 2.1.4. Determine each RCC's commitment to becoming a Medicaid provider, upon approval from the Center for Medicaid and Medicare Services (CMS) of the establishment of a 'Recovery Community Center' provider type under the New Hampshire Medicaid program.
- 2.1.5. Provide a written determination of RCC readiness to the Department within 5 business days of completing the final RCC readiness scan.
- 2.2. The Contractor shall enter into contract with a minimum of eleven (11) RCC's by June 30, 2019, in at least five (5) different Public Health Regions (See Appendix D – Regional Public Health Networks), as approved by the Department, in order to increase capacity for PRSS within each of the selected eleven (11) RCCs. The Contractor shall:
 - 2.2.1. Ensure that priority is given to Public Health Regions that do not have an RCC (See Appendix D – Regional Public Health Network).
 - 2.2.2. Provide a copy of each executed RCC contract to the Department within five (5) days of contract execution.
- 2.3. The Contractor shall collaborate with PRSS technical assistance assets, including, but not limited to, CAPRSS, to assess each RCC for accreditation readiness in accordance with the standards set forth by the CAPRSS. The Contractor shall:
 - 2.3.1. Complete a written assessment of each RCC that indicates the RCC's capacity to provide PRSS services and current operational standards.
 - 2.3.2. Develop a written plan with each RCC that includes, but is not limited to:
 - 2.3.2.1. Timeframes to meeting CAPRSS accreditation standards.
 - 2.3.2.2. Goals that must be attained by each RCC in order to meet CAPRSS accreditation standards.
 - 2.3.2.3. Technical assistance needed for each RCC in order to meet CAPRSS goals, time frame and technical assistance accreditation requirements.
 - 2.3.3. Ensure training and technical assistance is provided to each RCC, as needed.
- 2.4. The Contractor shall collaborate with the CAPRSS to provide assistance to each RCC to ensure that they meet accreditation standards set forth by CAPRSS. The Contractor shall ensure assistance includes, but is not limited to:



- 2.4.1. Personnel with the expertise necessary to deliver high quality training.
 - 2.4.2. Technical assistance, as needed.
 - 2.4.3. Organizational coaching.
 - 2.4.4. Capacity development consultation.
 - 2.4.5. Administrative support functions, as needed.
- 2.5. The Contractor shall collaborate with the Center for Excellence to develop and provide training as well as technical assistance to RCCs in order to:
- 2.5.1. Assist RCCs to attain accreditation.
 - 2.5.2. Provide technical assistance to RCCs to enroll in Medicaid upon the establishment of a "Peer Recovery Program" provider type by the New Hampshire Medicaid Program based on Federal Center for Medicaid and Medicare Services (CMS) and other Federal and State requirements, which include:
 - 2.5.2.1. 42 CFR, Subpart B (<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=2a147022bd0e989f2eff02f0ba401830&mc=true&n=pt42.4.455&r=PART&ty=HTML#sp42.4.455.b>).
 - 2.5.2.2. 42 CFR, Subpart E (<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=2a147022bd0e989f2eff02f0ba401830&mc=true&n=sp42.4.455.e&r=SUBPART&ty=HTML>).
 - 2.5.2.3. 45 CFR, 164.512(d) (http://www.ecfr.gov/cgi-bin/text-idx?SID=07d0a507d28ee03b2b09dfd7a2be33d2&mc=true&node=se45.1.164_1512&rqn=div8).
 - 2.5.3. Ensure personnel providing PRSS in RCCs are Certified Recovery Support Workers (CRSW) and meet the CAPRSS recovery coaching standards.
 - 2.5.4. Assist RCCs to expand capacity to include Peer Recovery Coaching and Telephone Recovery Support Services.
 - 2.5.5. Assist RCCs with expanding capacity to include back office support functions.
 - 2.5.6. Assist RCCs in establishing Recovery Centers and developing a plan to sustain them.
- 2.6. The Contractor shall utilize logistical support provided by the Center for Excellence to facilitate a Community of Practice that allows RCC administrators and leaders to establish and strengthen collegiality,



cooperation, collaboration and informal mentoring among RCCs. The Contractor shall:

- 2.6.1. Organize regular on-going RCC regional meetings with RCC administrators and leaders.
 - 2.6.2. Ensure meetings are widely advertised to all RCCs, statewide.
 - 2.6.3. Ensure that each subcontracted RCC engages in its local Regional Public Health Network (RPHN) to participate in continuum of care development work.
- 2.7. The Contractor shall assess the ability of each RCC to open and sustain a Recovery Center. The Contractor shall:
- 2.7.1. Complete a written assessment of each RCC that indicates each RCC's readiness to open and sustain a Recovery Center, that includes, but is not limited to:
 - 2.7.1.1. The current organizational structure of the RCC's Recovery Center or the RCC's readiness to open a Recovery Center, as appropriate.
 - 2.7.1.2. The number of people that can be served by the RCC's Recovery Center.
 - 2.7.1.3. The RCCs financial viability to support a Recovery Center.
 - 2.7.2. Work with each RCC to develop a written plan to open a Recovery Center.
 - 2.7.3. Ensure training and technical assistance is available to Recovery Center staff, which may include but is not limited to:
 - 2.7.3.1. Customer service training.
 - 2.7.3.2. Peer Recovery Coaching Services.
 - 2.7.3.3. Telephone Recovery Support Services.
 - 2.7.4. Assist RCCs to secure funding from other public and private sources to ensure ongoing sustainability of services.
- 2.8. The Contractor shall assist RCCs with performing back office functions that may include, but are not limited to:
- 2.8.1. Human resource functions.
 - 2.8.2. Financial functions such as accounting, bookkeeping and payroll.
 - 2.8.3. Billing functions.



- 2.9. The Contractor shall ensure billing services are available to each RCC until such time RCCs can perform billing functions on their own. Billing functions shall include, but are not limited to:
- 2.9.1. Submitting PRSS client services covered by Medicaid to the appropriate managed care organization (MCO).
 - 2.9.2. Disbursing payments received from MCOs to the appropriate RCC.
 - 2.9.3. Accepting RCC invoices for operational costs.
 - 2.9.4. Paying RCCs for operational costs on a cost reimbursement basis.
 - 2.9.5. Submitting RCC operational cost invoices to the Department for reimbursement.
- 2.10. The Contractor shall collaborate with the NH Center for Excellence to:
- 2.10.1. Identify data evaluation criteria.
 - 2.10.2. Implement an evaluation process in each RCC.
- 2.11. The Contractor shall ensure technical assistance is available to each RCC in order to collect, analyze and utilize data, for the evaluation process in Section 2.10.2., which shall include but is not limited to:
- 2.11.1. Demographics, which include but are not limited to:
 - 2.11.1.1. Gender
 - 2.11.1.2. Age
 - 2.11.1.3. Ethnicity
 - 2.11.1.4. Primary drug of choice
 - 2.11.2. SAMHSA National Outcome Measures (http://www.dasis.samhsa.gov/dasis2/noms/noms_atrch1.pdf), which include:
 - 2.11.2.1. Abstinence
 - 2.11.2.2. Crime and Criminal Justice
 - 2.11.2.3. Employment/Education
 - 2.11.2.4. Stability in Housing
 - 2.11.2.5. Social Connectedness
 - 2.11.3. Referral Source
 - 2.11.4. Client Financial Information
 - 2.11.5. Healthcare Coverage Information
 - 2.11.6. Substance Use Disorder treatment history



- 2.11.7. Substance Use Disorder or Co-occurring Disorder recovery needs
 - 2.11.8. Participation in Community Services
 - 2.11.9. Recovery capital
- 2.12. The Contractor will work with the Department to identify the next cohort of RCCs to prepare them for CAPRSS accreditation.

3. Reporting Requirements

- 3.1. The Contractor shall provide a work plan for each state fiscal year by July 1st of that year. This work plan shall be subject to review and approval by the Department.
- 3.2. Report on readiness for all considered RCC, that includes but is not limited to:
 - 3.2.1. Progress on the annual work plan.
 - 3.2.2. Accreditation readiness.
 - 3.2.3. Recovery center capacity
 - 3.2.4. Capacity to provider PRSS
 - 3.2.5. Commitment to enrolling in Medicaid, upon approval from the Center for Medicaid and Medicare Services (CMS) of the establishment of a 'Recovery Community Center' provider type under the New Hampshire Medicaid program.
- 3.3. The Contractor shall provide quarterly reports that include but are not limited to:
 - 3.3.1. Progress on the annual work plan.
 - 3.3.2. Progress on each RCC's work plan components.
 - 3.3.3. Information on RCC trainings conducted, including but not limited to, type of training provided and number of attendees.
 - 3.3.4. Information regarding RCC meetings that occurred, as described in Section 2.6, including but not limited to, venue, number of attendees and methods used to advertise meetings.
 - 3.3.5. Back office support provided, as described in Section 2.8.
- 3.4. The Contractor shall submit a final report to the Department that includes, but is not limited to:
 - 3.4.1. Information on each of the eleven (11) RCCs including the number of individuals served during the three (3) months prior to subcontracting with the Contractor in comparison to the number



of individuals served by the RCC from April 1st to June 30th of each subsequent year.

- 3.4.2. How many and what type of trainings were provided over the term of the contract.
- 3.4.3. The number of RCCs that are accredited by the CAPRSS.
- 3.4.4. The number and location of each Recovery Center that opened as a result of contracted services.
- 3.4.5. The type of PRSS services delivered by each RCC.
- 3.4.6. Information regarding clients served, which shall include but not be limited to:
 - 3.4.6.1. Analysis of client data referenced in 2.11 by individual RCC.
 - 3.4.6.2. Analysis of aggregated client data
- 3.4.7. Back Office functions performed for each RCCs, which may include but is not limited to:
 - 3.4.7.1. Human Resources.
 - 3.4.7.2. Financial.
 - 3.4.7.3. Client billing to other funding sources not in this contract.
- 3.4.8. All contractor work that has started and any progress toward CAPRSS accreditation for the next cohort of RCCs identified to the Department.

4. Deliverables

- 4.1. The Contractor shall provide copies of the executed contracts described in Section 2.2, to the Department within five (5) business days of fully executing the documents. Each sub-contract and renewal are subject to BDAS review and approval.
- 4.2. The Contractor shall complete an assessment, as described in Section 2.3.1, for each of the RCCs, within ninety (90) days of the contract effective date.
 - 4.2.1. Should additional RCCs be added to the Agreement, through Amendment;



- 4.2.1.1. This deliverable requirement shall apply to the newly added, additional RCCs.
- 4.2.1.2. The assessment shall be completed within ninety (90) days of Department approval, per Section 4.1.
- 4.2.1.3. The Contractor shall not be required to perform assessments on RCCs which were completed as a component of the original contract.
- 4.3. The Contractor shall provide a copy of each accreditation plan described in Section 2.3.2., within one hundred-twenty (120) days of the contract effective date.
 - 4.3.1. Should additional RCCs be added to the Agreement, through Amendment;
 - 4.3.1.1. This deliverable requirement shall apply to the newly added, additional RCCs.
 - 4.3.1.2. The accreditation plan shall be provided within one hundred-twenty (120) days of Department approval, per Section 4.1.
 - 4.3.1.3. The Contractor shall not be required to provide plans for RCCs which were completed as a component of the original contract.
- 4.4. The Contractor shall provide a written Recovery Center assessment, as described in Section 2.7, for each RCC, within one hundred-eighty (180) days of the contract effective date.
 - 4.4.1. Should additional RCCs be added to the Agreement, through Amendment;
 - 4.4.1.1. This deliverable requirement shall apply to the newly added, additional RCCs.
 - 4.4.1.2. The assessment shall be provided within one hundred-eighty (180) Department approval, per Section 4.1.
 - 4.4.1.3. The Contractor shall not be required to provide assessments on RCCs which were completed as a component of the original contract.
- 4.5. The Contractor shall provide the billing process and payment timeframes for providing the services in Section 2.9, within one hundred-twenty (120) days of the contract effective date and shall provide information on any changes made to the process and/or timeframes within thirty (30) days of making those changes.



DHHS Information Security Requirements

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic



Exhibit K

DHHS Information Security Requirements

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a



Exhibit K

DHHS Information Security Requirements

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open



DHHS Information Security Requirements

- wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.
9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
 10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
 11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a



Exhibit K

DHHS Information Security Requirements

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
 1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
 2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

New Hampshire Department of Health and Human Services



Exhibit K

DHHS Information Security Requirements

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from



DHHS Information Security Requirements

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data, to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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5/23/18



Exhibit K

DHHS Information Security Requirements

- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and



DHHS Information Security Requirements

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

State of New Hampshire

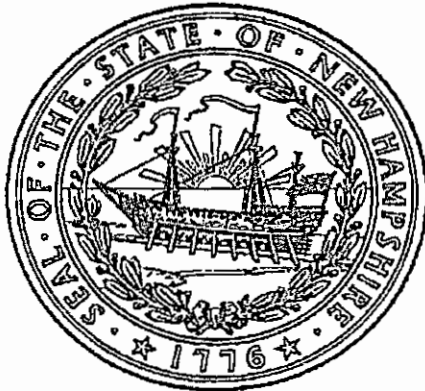
Department of State

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 registered to transact business in New Hampshire on February 15, 1980. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62778

Certificate Number : 0004097603



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 May A.D. 2018.

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

1. Joel Gaffe, Secretary, 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 May 23, 2018:
(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 23rd day of May, 2018.
(Date Contract Signed)

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

of the Agency.

[Signature]
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 23rd day of May, 2018.

By Joel Gaffe
(Name of Elected Officer of the Agency)

[Signature]
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

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

Commission Expires: _____





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

77 Northeastern Blvd
Nashua, NH 03062
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, 2017

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

Additional Offices:

Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Homes, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, 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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 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 6, 2017 on our consideration of Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.

Melanson Heath

November 6, 2017

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2017

(With Comparative Totals as of June 30, 2016)

| <u>ASSETS</u> | <u>2017</u> | <u>2016</u> |
|------------------------------------------------------------|----------------------|----------------------|
| Current Assets: | | |
| Cash and cash equivalents | \$ 320,236 | \$ 80,962 |
| Accounts receivable, net | 1,223,052 | 862,339 |
| Patient services receivables, net | 691,464 | 448,468 |
| Due from related organizations | 474,240 | 180,466 |
| Inventory | 67,277 | - |
| Other assets | <u>60,249</u> | <u>160,913</u> |
| Total Current Assets | 2,836,518 | 1,733,148 |
| Noncurrent Assets: | | |
| Property and equipment, net of accumulated depreciation | 23,364,133 | 19,139,795 |
| Restricted cash | 428,025 | 382,783 |
| Investments | 331,597 | 8,890 |
| Due from related organizations | 345,355 | 318,617 |
| Beneficial interest | 161,946 | 143,756 |
| Deferred compensation plan | - | 100,591 |
| Total Noncurrent Assets | <u>24,631,056</u> | <u>20,094,432</u> |
| Total Assets | <u>\$ 27,467,574</u> | <u>\$ 21,827,580</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts payable | \$ 956,353 | \$ 233,806 |
| Accrued expenses | 1,111,291 | 789,127 |
| Line of credit | 966,156 | 100,100 |
| Other liabilities | 5,582 | 256,659 |
| Current portion of capital leases payable | 18,304 | 47,985 |
| Current portion of mortgages payable | <u>247,589</u> | <u>256,680</u> |
| Total Current Liabilities | 3,305,275 | 1,684,357 |
| Long Term Liabilities: | | |
| Security deposits | 58,096 | 31,953 |
| Deferred compensation plan | - | 107,215 |
| Capital leases payable, net of current portion | - | 13,446 |
| Mortgages payable, tax credits | 79,280 | 100,323 |
| Mortgages payable, net of current portion | 11,666,646 | 6,932,311 |
| Mortgages payable, deferred | <u>5,217,096</u> | <u>5,217,096</u> |
| Total Long Term Liabilities | <u>17,021,118</u> | <u>12,402,344</u> |
| Total Liabilities | 20,326,393 | 14,086,701 |
| Unrestricted Net Assets | 6,812,003 | 7,593,742 |
| Temporarily Restricted Net Assets | <u>329,178</u> | <u>147,137</u> |
| Total Net Assets | <u>7,141,181</u> | <u>7,740,879</u> |
| Total Liabilities and Net Assets | <u>\$ 27,467,574</u> | <u>\$ 21,827,580</u> |

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

| | <u>Unrestricted</u> <u>Net Assets</u> | <u>Temporarily</u> <u>Restricted</u> <u>Net Assets</u> | <u>2017</u> <u>Total</u> | <u>2016</u> <u>Total</u> |
|------------------------------------------------|------------------------------------------|--------------------------------------------------------------|-----------------------------|-----------------------------|
| Public Support and Revenue: | | | | |
| Public Support: | | | | |
| Federal grants | \$ 3,520,498 | \$ - | \$ 3,520,498 | \$ 2,758,968 |
| State and local grants | 6,268,872 | - | 6,268,872 | 3,824,837 |
| Other grants | 217,600 | - | 217,600 | - |
| Contributions | 280,525 | 599,406 | 879,931 | 484,631 |
| Fundraising events | 26,620 | - | 26,620 | 20,885 |
| Net assets released from restriction | <u>417,365</u> | <u>(417,365)</u> | <u>-</u> | <u>-</u> |
| Total Public Support | 10,731,480 | 182,041 | 10,913,521 | 7,089,321 |
| Revenue: | | | | |
| Department of Housing and Urban Development | 3,041,875 | - | 3,041,875 | 2,940,896 |
| Veterans Administrative grants | 2,160,799 | - | 2,160,799 | 2,303,049 |
| Contracted services | 642,870 | - | 642,870 | 328,802 |
| Patient services revenues, net | 2,430,161 | - | 2,430,161 | 1,736,275 |
| Medicaid, net | 1,499,295 | - | 1,499,295 | 1,292,782 |
| Rent and service charges, net | 692,803 | - | 692,803 | 381,691 |
| Other fees and miscellaneous | 180,355 | - | 180,355 | 292,972 |
| Outside rent | 423,430 | - | 423,430 | 122,508 |
| Management fees | 25,536 | - | 25,536 | 25,324 |
| Investment income/(loss) | <u>25,508</u> | <u>-</u> | <u>25,508</u> | <u>(5,792)</u> |
| Total Revenue | <u>11,122,632</u> | <u>-</u> | <u>11,122,632</u> | <u>9,418,507</u> |
| Total Public Support and Revenue | 21,854,112 | 182,041 | 22,036,153 | 16,507,828 |
| Expenses: | | | | |
| Program | 20,070,879 | - | 20,070,879 | 15,156,854 |
| Administration | 2,032,507 | - | 2,032,507 | 2,107,947 |
| Fundraising | <u>532,465</u> | <u>-</u> | <u>532,465</u> | <u>264,974</u> |
| Total Expenses | 22,635,851 | - | 22,635,851 | 17,529,775 |
| Legal settlement, net (see Note 22) | - | - | - | 1,119,434 |
| Debt forgiveness | <u>-</u> | <u>-</u> | <u>-</u> | <u>98,087</u> |
| Change in net assets | (781,739) | 182,041 | (599,698) | 195,574 |
| Net Assets, Beginning of Year | <u>7,593,742</u> | <u>147,137</u> | <u>7,740,879</u> | <u>7,545,305</u> |
| Net Assets, End of Year | <u>\$ 6,812,003</u> | <u>\$ 329,178</u> | <u>\$ 7,141,181</u> | <u>\$ 7,740,879</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, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

| | <u>Program</u> | <u>Administration</u> | <u>Fundraising</u> | <u>2017 Total</u> | <u>2016 Total</u> |
|---------------------------------------------|----------------------|-----------------------|--------------------|-----------------------|-----------------------|
| Expenses: | | | | | |
| Accounting fees | \$ - | \$ 41,814 | \$ 102 | \$ 41,916 | \$ 54,671 |
| Advertising and promotion | 1,300 | 5,315 | 10,581 | 17,196 | 10,453 |
| Client counseling and support services | 59,223 | - | - | 59,223 | 40,286 |
| Client rental assistance | 5,713,823 | - | - | 5,713,823 | 5,148,408 |
| Conferences, conventions, and meetings | 101,990 | 12,702 | 721 | 115,413 | 72,387 |
| Contracted services | 1,408,890 | 13,329 | 88 | 1,422,307 | 277,409 |
| Employee benefits | 900,118 | 148,436 | 41,017 | 1,089,571 | 865,527 |
| Food and nutrition services | 104,496 | - | 49 | 104,545 | 75,070 |
| Grants and donations to other organizations | 232,089 | 686 | 18,940 | 251,715 | 190,916 |
| Information technology | 253,700 | 182,108 | 1,990 | 437,798 | 190,941 |
| Insurance | 135,755 | 5,680 | 228 | 141,663 | 135,910 |
| Interest expense | 421,914 | 75,885 | 1,079 | 498,878 | 445,569 |
| Legal fees | 25,585 | 91,463 | - | 117,048 | 105,773 |
| Membership dues | 25,808 | 1,788 | - | 27,596 | 16,459 |
| Miscellaneous | 57,404 | 38,045 | 1,418 | 96,867 | 41,700 |
| Occupancy | 939,676 | 120,619 | 12,239 | 1,072,534 | 752,915 |
| Office expenses | 161,297 | 48,862 | 17,074 | 227,233 | 188,582 |
| Operational supplies | 300,203 | 9,131 | 527 | 309,861 | 191,021 |
| Payroll taxes | 574,927 | 76,390 | 28,109 | 679,426 | 520,202 |
| Professional fees | 50,627 | 57,660 | 25,164 | 133,451 | 159,402 |
| Retirement contributions | 190,318 | 20,727 | 13,134 | 224,179 | 235,265 |
| Salaries and wages | 7,364,440 | 992,755 | 352,427 | 8,709,622 | 6,734,326 |
| Travel | 94,108 | 2,298 | 1,135 | 97,541 | 83,412 |
| Total Expenses | <u>19,117,691</u> | <u>1,945,693</u> | <u>526,022</u> | <u>21,589,406</u> | <u>16,536,604</u> |
| Depreciation and amortization | <u>953,188</u> | <u>86,814</u> | <u>6,443</u> | <u>1,046,445</u> | <u>993,171</u> |
| Total Functional Expenses | <u>\$ 20,070,879</u> | <u>\$ 2,032,507</u> | <u>\$ 532,465</u> | <u>\$ 22,635,851</u> | <u>\$ 17,529,775</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, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

| | 2017 | 2016 |
|--------------------------------------------------------------------------------------|--------------|-------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ (599,698) | \$ 195,574 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation and amortization | 1,046,445 | 993,171 |
| (Gain)/loss on beneficial interest | (18,190) | 5,747 |
| Debt forgiveness | - | (98,087) |
| (Increase) Decrease In: | | |
| Accounts receivable | (360,713) | 158,095 |
| Patient services receivable | (242,996) | (158,176) |
| Inventory | (67,277) | - |
| Other assets | 100,664 | (94,844) |
| Increase (Decrease) In: | | |
| Accounts payable | 722,547 | (214,819) |
| Accrued expenses | 322,164 | 69,111 |
| Deferred compensation plan | (6,624) | 254,400 |
| Other liabilities | (251,077) | 6,624 |
| Net Cash Provided by Operating Activities | 645,245 | 1,116,796 |
| Cash Flows From Investing Activities: | | |
| Security deposits | 26,143 | (10,541) |
| Purchase of fixed assets | (320,785) | (63,527) |
| Purchase of investments | (322,707) | - |
| Sale of investments | - | 1,409 |
| Net Cash Used by Investing Activities | (617,349) | (72,659) |
| Cash Flows From Financing Activities: | | |
| Borrowings from lines of credit | 1,500,686 | 110,100 |
| Payments on lines of credit | (634,631) | (743,319) |
| Payments on capital leases | (43,127) | (43,127) |
| Payments on long term borrowings | (224,753) | (221,547) |
| Payments on tax credits | (21,043) | (21,043) |
| Advances to related organizations | (1,791,201) | (353,583) |
| Repayments from related organizations | 1,470,689 | 154,774 |
| Net Cash Provided by (Used for) Financing Activities | 256,620 | (1,117,745) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 284,516 | (73,608) |
| Cash, Cash Equivalents, and Restricted Cash, Beginning of Year | 463,745 | 537,353 |
| Cash, Cash Equivalents, and Restricted Cash, End of Year | \$ 748,261 | \$ 463,745 |
| Supplemental disclosures of cash flow information: | | |
| Interest paid | \$ 474,402 | \$ 445,423 |
| Non-cash financing activities | \$ 4,950,000 | \$ - |
| Debt forgiveness | \$ - | \$ 98,087 |

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:**

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.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Accounts Receivable, Net

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

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 fiscal year 2017. 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.

Inventory

Inventory is comprised of program-related merchandise held for sale in the pharmacy, and is stated at the lower of cost or market determined by the first-in, first-out method.

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.

Property and Equipment

Property and equipment is reported in the Statement of Financial Position at cost, if purchased, and at fair value at the date of donation, if donated. Property and equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as

incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, 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 | 5 - 7 |

Property and equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Beneficial Interests in Charitable Trusts Held by Others

The Organization has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Organization has neither possession nor control over the assets of the trusts. At the date of notification of an interest in a beneficial trust, a temporarily or permanently restricted contribution is recorded in the Statement of Activities, and a beneficial interest in charitable trusts held by others is recorded in the Statement of Financial Position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the Statement of Financial Position, with changes in fair value recognized in the Statement of Activities. Upon receipt of trust distributions and/or expenditures in satisfaction of the restricted purpose stipulated by the donor, if any, temporarily restricted net assets are released to unrestricted net assets; permanently restricted net assets are transferred to the endowment.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions and/or the passage of

time. Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed. The restrictions stipulate that resources be maintained permanently, but permit expending of the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

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 16).

Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with

payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Gifts-in-Kind Contributions

The Organization periodically receives contributions in a form other than cash or investments. Contributed property and equipment is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's, *Uniform Grant Guidance*, and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Income Taxes

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 is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. If the Organization has net income that is derived from business activities that are unrelated to its exempt purpose, it would need to file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed

insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and entities supportive of the Organization's mission. Investments are monitored regularly by the Organization. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that its investment strategies are prudent for the long-term welfare of the Organization.

Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional contributions receivable and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional contributions receivable.
- Recurring measurement of due from related Organizations (note 4) – Level 3.
- Recurring measurement of investments (note 6) – Level 1.
- Recurring measurement of beneficial interests (note 8) – Level 3.
- Recurring measurement of lines of credit (note 10) – Level 2.
- Recurring measurement of capital leases payable (note 11) – Level 2.
- Recurring measurement of mortgages payable (notes 12 - 14) – Level 2.

The carrying amounts of cash, cash equivalents, restricted cash, receivables, other assets, accounts payable, accrued expenses, and other liabilities, approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy.

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. Receivables, Net:

Accounts receivable at June 30, 2017 consists of the following:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|-------------------|---------------------|--------------------|---------------------|
| Grants | \$ 1,045,069 | \$ - | \$ 1,045,069 |
| Pledges | 95,500 | - | 95,500 |
| Residents | 96,844 | (55,592) | 41,252 |
| Other | 39,713 | - | 39,713 |
| Security deposits | <u>1,518</u> | <u>-</u> | <u>1,518</u> |
| Total | <u>\$ 1,278,644</u> | <u>\$ (55,592)</u> | <u>\$ 1,223,052</u> |

Patient accounts receivable, related to the Organization's federally qualified health care center, consisted of the following at June 30, 2017:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|----------|---------------------|---------------------|-------------------|
| Medicaid | \$ 435,044 | \$ (65,825) | \$ 369,219 |
| Medicare | 130,855 | (12,319) | 118,536 |
| Other | <u>592,924</u> | <u>(389,215)</u> | <u>203,709</u> |
| Total | <u>\$ 1,158,823</u> | <u>\$ (467,359)</u> | <u>\$ 691,464</u> |

4. 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 18). 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, 2017 are as follows:

| | |
|--------------------------------------------|-------------------|
| Current: | |
| Greater Nashua Council on Alcoholism | \$ 380,115 |
| Harbor Homes III, Inc. | 5,748 |
| Healthy at Home | 77,309 |
| HH Ownership, Inc. | 2,016 |
| Southern NH HIV/AIDS Task Force | <u>9,052</u> |
| Subtotal current | 474,240 |
| Noncurrent: | |
| Harbor Homes II, Inc. | 134,371 |
| Milford Regional Counseling Services, Inc. | 48,494 |
| Welcoming Light, Inc. | <u>162,490</u> |
| Subtotal noncurrent | <u>345,355</u> |
| Total | <u>\$ 819,595</u> |

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

As discussed in note 2, the valuation technique used for due from related organizations is a Level 3 measure because there are no observable market transactions. Changes in the fair value of assets measured at fair value on a recurring basis using significant unobservable inputs are comprised of the following:

| | | |
|---------------------------------|----|--------------------|
| Beginning balance June 30, 2016 | \$ | 499,083 |
| Advances | | 1,791,201 |
| Reductions | | <u>(1,470,689)</u> |
| Ending balance June 30, 2017 | \$ | <u>819,595</u> |

5. Property, Equipment and Depreciation:

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

| | | |
|--------------------------------|----|--------------------|
| Land | \$ | 2,786,690 |
| Land improvements | | 12,290 |
| Buildings | | 19,715,780 |
| Building improvements | | 6,244,321 |
| Software | | 515,010 |
| Vehicles | | 211,878 |
| Furniture and fixtures | | 159,591 |
| Equipment | | 400,464 |
| Dental equipment | | 141,716 |
| Medical equipment | | 58,022 |
| Construction in progress | | <u>304,669</u> |
| Subtotal | | 30,550,431 |
| Less: accumulated depreciation | | <u>(7,186,298)</u> |
| Total | \$ | <u>23,364,133</u> |

Depreciation expense for the year ended June 30, 2017 totaled \$1,046,445.

6. Investments:

The Organization's investments consist of the following at June 30, 2017:

| | <u>Cost</u> | <u>Market Value</u> | <u>Unrealized Gain or (Loss) To Date</u> |
|--------------|-------------------|---------------------|------------------------------------------|
| Equities | \$ 236,270 | \$ 240,758 | \$ 4,488 |
| Mutual Funds | <u>90,839</u> | <u>90,839</u> | <u>-</u> |
| Total | \$ <u>327,109</u> | \$ <u>331,597</u> | \$ <u>4,488</u> |

7. Restricted Cash:

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

| | |
|---------------------------|-------------------|
| Security deposits | \$ 56,578 |
| Reserve for replacements | 367,077 |
| Residual receipt deposits | <u>4,370</u> |
| Total | <u>\$ 428,025</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.

8. 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, 2017, the value of the fund was \$161,946.

As discussed in note 2, the valuation technique used for beneficial interest is a Level 3 measure because there are no observable market transactions. Changes in the fair value of assets measured at fair value on a recurring basis using significant unobservable inputs are comprised of the following:

| | |
|---------------------------------|-------------------|
| Beginning balance June 30, 2016 | \$ 143,756 |
| Advances | 18,190 |
| Reductions | <u>-</u> |
| Ending balance June 30, 2017 | <u>\$ 161,946</u> |

9. Accrued Expenses:

Accrued expenses include the following:

| | |
|---------------------------|---------------------|
| Mortgage interest | \$ 26,804 |
| Payroll and related taxes | 491,506 |
| Compensated absences | <u>592,981</u> |
| Total | <u>\$ 1,111,291</u> |

10. Lines of Credit:

At June 30, 2017, the Organization had a \$1,000,000 of credit available from TD Bank, N. A. due October 31, 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, 2017, the credit line had an outstanding balance of \$620,072 at an interest rate of 5.25%.

In addition, the Organization had a \$500,000 of credit available from TD Bank, N. A. due October 31, 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, 2017, the credit line had an outstanding balance of \$346,084 at an interest rate of 5.25%

11. 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> |
|-------------|------------------|
| 2018 | \$ <u>18,304</u> |
| Total | \$ <u>18,304</u> |

At June 30, 2017, equipment of \$132,000, net of depreciation of \$24,200, related to this capital lease.

12. 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 organi-

zations, 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, 2017 is \$79,280.

13. Mortgages Payable:

Mortgages payable as of June 30, 2017 consisted of the following:

A mortgage payable to Enterprise Bank and Trust Company, with monthly interest only payments required at a fixed rate of 4%, maturing on February 28, 2019, secured by real property located at 75-77 Northeastern Boulevard in Nashua, NH. \$ 3,375,000

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. 1,163,150

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. 1,141,480

A mortgage payable to New Hampshire Community Loan Fund, Inc., with interest only payments required at a fixed rate of 6%, maturing December of 2018, secured by real property located at 75-77 Northeastern Boulevard in Nashua, NH. 1,125,000

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. 1,060,851

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. 648,007

(continued)

(continued)

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,324, including principal and interest at 4.38%, maturing in 2031, secured by real property located at 45 High Street in Nashua, NH. 638,618

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. 604,365

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. 454,374

A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 3.97%, maturing in 2025, secured by real property located on Maple Street in Nashua, NH. 383,467

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. 282,700

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,425, including principal and interest at 4.75% for five years and adjusting to the then-current Federal Home Loan Bank 5/25 Amortizing CDA Rate plus two and three-quarters percent in year six and every five years thereafter, maturing in 2042, secured by real property located at 45 High Street in Nashua, NH. 249,127

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. 220,206

A mortgage payable to New Hampshire Health and Education Facilities Authority, due in monthly installments of \$3,419, including principal and interest at 1.00% maturing in 2022, secured by a mobile van. 193,493

(continued)

(continued)

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 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. | 117,182 |
| 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. | 116,954 |
| 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. | 93,243 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,993, including principal and interest at 3.89%, maturing in 2035, secured by real property located at 59 Factory Street in Nashua, NH. | <u>47,018</u> |
| Total | 11,914,235 |
| Less amount due within one year | <u>(247,589)</u> |
| Mortgages payable, net of current portion | <u>\$ 11,666,646</u> |

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

| <u>Year</u> | <u>Amount</u> |
|-------------|----------------------|
| 2018 | \$ 247,589 |
| 2019 | 4,782,513 |
| 2020 | 297,052 |
| 2021 | 312,481 |
| 2022 | 322,022 |
| Thereafter | <u>5,952,578</u> |
| Total | <u>\$ 11,914,235</u> |

14. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2017 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, 2017:

| | |
|-----------------------------------|----------------------------|
| 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><u>5,217,096</u></u> |

* During fiscal year 2017, 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.

15. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2017:

| <u>Purpose</u> | <u>Amount</u> |
|--------------------------|--------------------------|
| Above and beyond | \$ 129 |
| Art supplies | 289 |
| Claremont | 15,000 |
| Dalianis bricks | 735 |
| DAV | 726 |
| Dental equipment | 10,000 |
| Golf event | 1,200 |
| Mobile crisis | 105,873 |
| Northeastern Blvd. | 107,000 |
| Operation brightside | 2,000 |
| PEC | 42 |
| People's United grant | 8,375 |
| Plymouth capital project | 25,000 |
| SCOAP | 1,292 |
| Software | 42,067 |
| Standdown | 2,764 |
| Thanksgiving | 356 |
| Veterans Christmas fund | 700 |
| Veterans computers | <u>5,630</u> |
| Total | \$ <u><u>329,178</u></u> |

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

16. 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:

| | 2017 | | | 2016 | |
|-------------------------|---------------|------------------------|----------------------------|-----------------------------|-----------------------------|
| | Gross Charges | Contractual Allowances | Charitable Care Allowances | Net Patient Service Revenue | Net Patient Service Revenue |
| Medicaid | \$ 1,834,675 | \$ (363,773) | \$ - | \$ 1,470,902 | \$ 1,159,434 |
| Medicare | 528,336 | (244,296) | - | 284,040 | 246,337 |
| Third-party | 1,151,592 | (591,136) | - | 560,456 | 428,481 |
| Sliding fee/free care | 215,008 | - | (196,108) | 18,900 | 57,275 |
| Self-pay | 304,314 | - | (2,669) | 301,645 | 140,412 |
| Subtotal | \$ 4,033,925 | \$ (1,199,205) | \$ (196,777) | 2,635,943 | 2,031,939 |
| Provision for bad debts | | | | (205,782) | (295,664) |
| Total | | | | \$ 2,430,161 | \$ 1,736,275 |

17. Client Rental Assistance:

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately \$5.7 million 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.

18. 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 based on actual cost.

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

The Organization is a corporate guarantor for Greater Nashua Council on Alcoholism in relation to two mortgages on their Amherst Street property. The guaranties consist of one bond in the amount of \$3,963,900 and a mortgage in the amount of \$200,000.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, Greater Nashua Council on Alcoholism, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$52,305, \$41,250 and \$51,137, respectively, for fiscal year 2017.

Harbor Homes, Inc. received management fees totaling \$25,536 from its related organizations that have HUD projects.

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

19. Deferred Compensation Plan:

In fiscal year 2017, the Organization discontinued its 403(b) plan and deferred compensation plan for certain employees and directors. It also implemented a 401(k) retirement plan. Upon meeting the eligibility criteria, employees can contribute a portion of their wages to the 401(k) 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, 2017 were \$224,179.

20. Concentration of Risk:

The Organization received revenue as follows:

| | | |
|---------------------------------------------|----|-------------|
| Federal grants | \$ | 16% |
| State, local, and other agencies | | 28% |
| Department of Housing and Urban Development | | 14% |
| Department of Veterans Affairs | | 10% |
| Medicaid | | 7% |
| All other support and revenue | | <u>25%</u> |
| Total | \$ | <u>100%</u> |

21. 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.

22. 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.

23. Supplemental Disclosure of Cash Flow Information:

In fiscal year 2017, the Organization early adopted Accounting Standard Update (ASU) No. 2016-18, *State of Cash Flows (Topic 203): Restricted Cash*. The amendments in this update require that a Statement of Cash Flows explain the change during the fiscal year of restricted cash as part of the total of cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported in the Statement of Financial Position to the same such amounts reported in the Statement of Cash Flows.

| | |
|-------------------------------------------------------------------------------------------|-------------------|
| Cash and Cash Equivalents | \$ 320,236 |
| Restricted Cash | <u>428,025</u> |
| Total Cash, Cash Equivalents, and Restricted Cash shown in the Statement of Cash Flows | <u>\$ 748,261</u> |

24. Subsequent Events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2017 through November 6, 2017, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

At June 30, 2017, the financial statements reported current liabilities that exceeded current assets. This is attributable to several unusual factors. In June 2017, the Organization determined that a major funder had overpaid a grant in the amount of \$250,000. As a result, a liability was recorded and a repayment agreement over a six-month period was agreed-upon, with the funder reducing its subsequent monthly payments. In addition, the Organization is currently in the beginning stages of several construction projects that will be completed in fiscal years 2018 and 2019. Historically, the Organization has received project funding in advance to cover upfront costs such as architects, engineers, and consultants. Full funding for these projects is anticipated from grants and tax credits. The grants will not be available to the Organization until construction loans and tax credits have been executed.

CURRENT BOARD OF DIRECTORS LIST (05/1/18)

Officers

Dan Sallet, Chair
Trent Smith, Vice-Chair
Jared Freilich, Treasurer
David Aponovich, Asst. Treasurer
Joel Jaffe, Secretary
Laurie Goguen, Asst. Secretary

Directors

Thomas I. Arnold, III
Jack Balcom
Vijay Bhatt
Vince Chamberlain
Laurie DesRochers
Phil Duhaime
Lynn King
Ed McDonough
Rick Plante

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services

Contractor Name: HARBOR HOMES

Name of Program: PEER RECOVERY SUPPORT SERVICES FACILITATING ORGANIZATION (PRSS FO)

| BUDGET PERIOD: SFY 2019 | | | PERCENT PAID FROM THIS CONTRACT | AMOUNT PAID FROM THIS CONTRACT |
|-----------------------------------------------------------------------------------------|----------------------|-----------|---------------------------------------|--------------------------------------|
| NAME | JOB TITLE | SALARY | | |
| Cheryle Pacapelli | Project Manager | \$85,000 | 100.00% | \$85,000.03 |
| Dean LeMire | Assit. Manager | \$55,000 | 100.00% | \$54,999.98 |
| Ana Pancine | Financial Controller | \$90,000 | 10.00% | \$9,000.00 |
| Patricia Robitaille | VP of Finance | \$148,000 | 10.00% | \$14,800.00 |
| | | \$0 | 0.00% | \$0.00 |
| TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request) | | | | \$163,800.02 |

Patricia A. Robitaille, Harbor Homes Inc. CFO, CPA

PROFILE

- 18 years experience in accounting/financial
- Management experience
- Diversified industry exposure
- Counselor and mentor
- Training experience
- Knowledge of multiple computer programs
- Excellent client rapport
- Tax preparation experience

PROFESSIONAL EXPERIENCE

June 2009 – Present *Vice President of Finance* Harbor Homes, Inc.

- Responsible for the finances of 9 related non-profit entities with revenues in excess \$22M
- Directly responsible for budgeting, planning, cash management, grants and contracts falling under the business/accounting office
- Reviews and analyzes the monthly, quarterly and annual financial reports
- Analyzes results of cash flows, budget expenditures and grant restrictions
- Assists the President/CEO with financial planning and capital projects
- Responsible for the annual financial and retirement audits of all related entities
- Reviews Federal 990 tax returns and state returns
- Set up web based electronic timesheets
- Implemented the conversion and installation of accounting and HR software
- Prepares and reviews 941 quarterly returns, state unemployment returns
- Oversees worker's compensation renewals, audit preparations, safety controls
- Responsible for coordinating, financing of two \$6M capital construction

EDUCATION

1988-1991 Rivier College, Nashua, NH – Bachelor of Science, Accounting

Ana Pancine

| | |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Career Focus | <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> |
| Past Accomplishments | <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. |
| Experience | <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. |

| | | |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Skills | <p>Per Event Administrator August 2001 – June 2003</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 | |
| | <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 | |

Cheryle Pacapelli

Profile

Fifteen + years of nonprofit and program management experience; including advocacy, community organizing, education, and management at the local, state and federal level, for the development and implementation of peer to peer Recovery Support Services. Serves as Co-Chair of the Recovery Task Force. Developed and implemented: programs, trainings, activities, and community events for sustaining program capacity, building coalitions and establishing best practice initiatives. Advanced Computer Proficiency: Windows XP Professional Microsoft Office Suite, Giftworks, iMAC

Experience

2/17 - Present Harbor Homes Nashua, NH

Project Director

- This is an administrative position supporting the Peer Recovery Support Services (PRSS) Facilitating Organizations (FO) contract to subcontract with Recovery Community Organizations (RCOs) in New Hampshire.
- Review existing work completed by BDAS and NH Center for Excellence to design a more formal readiness scan of all known RCOs statewide
- Analyze data and communicate with RCOs to determine willingness, ability and capacity to achieve Council on Accreditation of Peer Recovery Support Services (CAPRSS) accreditation, provide Peer Recovery Support Services (PRSS), open/operate a Recovery Center and adhere to CMS regulations during the readiness scan
- Develop a formal procurement process that is fair and transparent to identify at least five RCOs to participate in the first year of FO grant
- Prioritize those RCOs most likely to participate in subsequent years
- Within five days of procurement process completion, provide BDAS with a written determination of RCO readiness
- Work with NH Center for Excellence to engage the first "Community of Practice" meeting to assist with the completion of readiness scan
- Upon BDAS approval, arrange one on one visits with selected RCOs, including Board of Directors, staff, volunteers, etc. to shadow day to day activities (CAPRSS also present)
- Monitors subcontractors and assists with development of required policies and procedures
- Assists subcontractors with the process of applying for and obtaining Medicaid billing status
- Communicate regularly with subcontractors to review progress
- Monitors the quality of all subcontractors and their progress, and completes required documents and reports
- Assists in the oversight and facilitation of training for all subcontractors
- Manages the employment process, with staff scheduling, and in the provision of routine assessment of staff performance
- Utilizes computer application(s) or applicable technology for administrative tasks
- Manages services and related budgetary concerns
- Oversee HHI business processes and accounting related to subcontracts

7/15 – 2/17 New Futures, Inc. Concord, NH

Community Engagement Director

- Advocate for policies and financing that support a statewide system of community based recovery supports, to ensure that all people in NH with SUD are able to access recovery supports;
- Educate the public and policymakers regarding the nature and effectiveness of recovery supports;
- Work with the newly created continuum of care facilitators in each public health region to ensure that individual recovery supports and family supports are included in each region's comprehensive substance misuse continuum of care;

Cheryle Pacapelli

- Work with providers in designated Integrated Delivery Networks under the 1115 Demonstration Waiver program to ensure that recovery supports are an integral part of innovative projects funded through the waiver;
- Provide technical assistance to communities and organizations interested in developing and delivering recovery supports;
- Partner with New Futures Policy Director and the NH Providers Association to provide technical assistance on enrollment and regulatory requirements to organizations and individuals interested in billing third party payers, including Medicaid, for peer and non-peer recovery supports;
- Oversee expansion of family supports through DHHS System of Care grant;
- Facilitate connections between SUD treatment providers, healthcare providers, drug courts, corrections facilities and other institutions whose clients or patients are in need of recovery supports with recovery community organizations; and,
- Otherwise support the development of a statewide system of recovery supports as a full, accessible component of the SUD continuum of care through advocacy on policy, technical assistance, relationship development, education, and collaboration.

05/01 - Present

Stepping Stone House

Meriden, CT

Co-Owner

- Operate 5 Recovery Houses with 52 male transitional living beds
- Certified by Department of Mental Health and Addiction Services to provide housing and case management services.
- Coordinate with Access to Recovery and Recovery Support Program to secure housing and basic need support for clients
- Provide case management for clients, life skills, resumes, job search
- Administer progress notes and a recovery plan for each individual.

8/14 – 7/15

HOPE for NH Recovery

Concord, NH

Executive Director

- Statewide Coordination of Recovery Movement
- Public Education, Awareness and Advocacy
- Deliver a variety of peer-based recovery support services; assist in start-up of Recovery Community Centers
- Community Outreach and Resource Development
- Collaborate with the Governor's Commission for Alcohol and other Drug Prevention, Treatment and Recovery

12/11 – 10/12

CT. Community for Addiction Recovery

Hartford, CT

Director Recovery Services

- Recovery Coach Academy Management (RCA)
 - Administered promotion, marketing and sales of RCA; handling of logistics, RCA manual sales, data tracking, recovery coach support.
 - Coordinated five CT Trainings held per year and 20 + out of state held per year over 1,000 Recovery Coaches trained
 - Trained 100 + trainers to bring RCA across the United States.
 - Maintained website with RCA updates, and all training registrations online
 - Generated \$200,000 in gross revenues
- Recovery Technical Assistance Group Management
 - Promotion, marketing and sales of CCAR technical assistance products, including trainings, technical assistance and paid speaking engagements.
 - Developed, implemented, and managed CCAR's web-based shopping site: www.shoprecovery.com for national sales of all CCAR products, RCA trainings,

Cheryle Pacapelli

Recovery Housing Trainings, RCA manuals. Increasing CCAR revenue by 45% in the first year.

- Originated national sales and logistics of CCAR's Technical Assistance Group. Managed implementation and collaboration with contract sites. Best-practice programming includes: Telephone Recovery Support, Volunteer Management, and Vocational Employment Services. Increased organizational revenue by 45 % during my tenure.
- Annual Recovery Walks! Coordination
 - Designed and implemented the event; met target numbers; increased public awareness for addiction recovery.
 - Collaborated with multiple state agencies and service providers for providing resources and services to participants.
 - Over 2,000 in attendance and revenue of \$14,000.
- Annual Volunteer Recognition Dinner Coordination
 - Plan and implement the event, volunteers recognized.
 - Develop sponsorship for Volunteer Recognition Dinner, create invitations, and program.
 - 300 Volunteers recognized for over 15,000 hours of volunteer service.
- Data tracking and Analysis
 - Oversaw all tracking databases for bi-weekly reports, training and event; engaged in quality improvement.
 - Generated reports for Executive Director, funders and Board of Directors

12/06 – 12/11

CT. Community for Addiction Recovery

Hartford, CT

Director of Operations

- Recovery Community Center Management
 - Oversaw the operations at three Recovery Community Centers with efficiency; ensured adherence to prescribed structure, encouraged new programs.
 - Held 375 events with over 14,000 in attendance
 - Hosted 38 different recovery focused trainings, with over 1,700 participants
 - Implementation of Access to Recovery Services in Recovery Community Centers
- Direct Supervision of five Full Time Staff
 - Volunteer Manager, Program Manager, Three Recovery Community Center Managers
 - Administered Annual performance reviews
- Program Oversight – Telephone Recovery Support and Recovery Housing Program
 - Increased number of people called from 22 in 2005, to 1,945 in 2011.
 - CCAR volunteers made over 125,000 telephone calls resulting in 36,000 conversations with about 4,500 people in recovery.
 - Originated and managed CCAR's Recovery Housing Program: www.findrecoveryhousing.com. Built service to its current over 200 recovery houses listed in 19 states status. Revenue is being generated from owners listing Recovery Houses.
- Information Technology
 - Designed and developed tracking systems for generating outcome-based reports and evaluating services which resulted in increased funding and national attention.
 - Managed all databases, maintained equipment, and assisted staff with technology needs and training.

10/04 – 12/06

CT. Community for Addiction Recovery

Hartford, CT

Cheryle Pacapelli

Project Manager – Recovery Housing

- Developed and maintained an inventory of Recovery Houses in CT
- Provided community education on recovery housing, NIMBY issues
- Marketed and delivered training “So, you want to open a Recovery House”
- Established Recovery Housing Coalition of CT, developed statewide standards for Recovery Houses.

Albertus Magnus

New Haven, CT

Bachelors Degree – Business Management

- Cum Laude, Tai Pi Phi National Honor Society

Co-Chair Recovery Task Force

Training

Certifications: CCAR Recovery Coach Academy Trainer

CCAR Ethics for Recovery Support Worker Trainer

Pastoral Counseling

Mental Health and Addiction Services: DMHAS Successfully Housing Persons with Substance Use Issues

safeTALK Suicide Alertness for Everyone

Human Resource Development: Understanding Sexual Harassment

Dean A. LeMire

Results-driven community organizer and addiction recovery advocate with demonstrated skills for developing frameworks for peer-and-community-based recovery support services.

Core Qualifications

- Community organizing • Marketing
- Excellent communication • Exceptional time management and organization
- Knowledge of recovery supports modalities across multiple pathways • PRSS training experience

Professional Experience

Assistant Project Director – Facilitating Organization Contract, Harbor Homes, Inc

Nashua, NH March 2017-Present

- Assist Project Director in facilitating accreditation, billing, training, and practical functions for contracted Recovery Community Organizations receiving funding through the NH Bureau of Drug & Alcohol Services

Director of Community Relations – New England Recovery & Wellness

Concord, NH December 2016-March 2017

- Developed key partnerships with addictions supports providers and public officials in ME, NH, MA
- Developed and implemented a multifaceted Internet, print, and community-based marketing strategy to maximize ROI

Manager of Programs – SOS Recovery Community Organization

Goodwin Community Health, Somersworth, NH July 2016-December 2016

- Developed and maintained a regional network of community stakeholders to establish and maintain a strategic recovery-oriented organizational framework.
- Oversaw design and execution of the SOS strategic plan.
- Developed processes, policies, and workflows to meet accreditation requirements from the Counsel on Accreditation of Peer Recovery Support Services and contract deliverables from the NH Bureau of Drug and Alcohol Services
- Coordinated activities within various work plans, with a focus on social marketing campaigns, direct public education events, support and advocacy for other evidence-based recovery strategies.

- Developed and maintained a regional network of subject matter experts and allies to support the implementation of the SOS Strategic Plan.
- Ensured that programs and priorities are data-driven, evidence-based, and culturally appropriate to achieve outcomes.
- Collaborated with other regional Recovery Support Organizations to advance mutual objectives.
- Supervised all RCO staff to further build recovery capacity and ensure schedules of programs and services meet need of each Center
- Coordinated logistics support, oversaw program implementation, developed and delivered trainings, workshops, and coordinated critical meetings.
- Developed key social marketing and collateral materials for strategic messaging and building audiences across the age spectrum.

Substance Misuse Prevention Coordinator – Strafford County Public Health Network

Goodwin Community Health, Somersworth NH August 2015-July 2016

- Developed and maintained a regional network of community stakeholders to establish and maintain a strategic prevention framework and successfully implement the prevention strategies outlined in the strategic plan.
- Coordinated activities within various work plans, with a focus on social marketing campaigns, population-level mental health strategies, population-level prevention strategies and activities, as well as supported and advocated for other evidence-based prevention strategies developed through 3 year Substance Misuse Prevention Plan and Community Health Improvement Plan.
- Developed and maintained a regional network of subject matter experts to support substance misuse prevention and related health promotion activities through the facilitation of a Regional Leadership Team.
- Ensured that programs and priorities are data-driven, evidence-based, and culturally appropriate to achieve outcomes; submit monthly and quarterly evaluation reporting to funding agencies.
- Collaborated with other regional prevention specialists and state agencies; attended all-state required trainings, workshops, and bi-monthly meetings.
- Provided strategic planning support for program improvements.
- Provided logistics support, program implementation, trainings, workshops, and meetings.
- Developed key social marketing and collateral materials for prevention messaging and building audiences across the age spectrum.

Media Manager

Bonfire Recovery Services- Dover, NH May 2014-July 2015

- Developed & maintained business website
- Launched effective social media campaigns
- Developed all promotional literature, logos, merchandise

- Attracted local, state-wide, national news media to highlight business services & growth
- Represented business at trade shows, conventions, roundtables, summits, coalition meetings, advocacy events, & NH Governor's Commission: Recovery Services Task Force (role: Secretary)

Recovery Case Manager

Bonfire Recovery Services- Dover, NH April 2014-August 2015

- Provided 1:1 barrier reduction & recovery support services for 20+ caseloads of residential clients with substance use disorders
- Facilitated weekly group support meetings
- Provided sobriety and safety assurance services
- Coordinated group team-building and recreational activities
- Coordinated workshops by outside recovery support service providers

Education

University of New Hampshire-Durham

B.A. Degree – English (General): YOG 2010

Training Certifications

CCAR Recovery Coach Academy, CCAR Ethical Considerations of Recovery Coaches

Technical Proficiencies

Microsoft Word, Excel, PowerPoint, WordPress, InDesign, Adobe Photoshop



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
Peer Recovery Support Services
Facilitating Organization (PRSS FO)**

This 1st Amendment to the Peer Recovery Support Services Facilitating Organization (PRSS FO) contract (hereinafter referred to as "Amendment #1") dated this 24th day of April, 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 company with a place of business at 45 High Street, Nashua, NH 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 1, 2016, Item #13, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended 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 Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to General Provisions, Paragraph 3, the State may modify the scope of work and payment schedule of the contract by written agreement of the parties;

WHEREAS the parties agree to extend the term of the agreement for two (2) additional years, increase the Price Limitation and modify the scope of services to support continued delivery of these services, and

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:

1. Amend Form P-37, General Provisions, Block 1.6, Account Number, to include the following:
05-95-92-920510-33820000-102-500734, and
05-95-92-920510-33840000-102-500734
2. Amend Form P-37, General Provisions, Block 1.7, Completion Date, to read:
June 30, 2019
3. Amend Form P-37, General Provisions, Block 1.8, to increase Price Limitation by \$3,116,000 from \$1,500,000, to read:
\$4,616,000

Harbor Homes, Inc.

Amendment #1

Contractor Initials: PK

Page 1 of 4

Date: 4/24/17



4. Amend Form P-37, General Provisions, Block 1.9, to read:
Jonathan V. Gallo, Esq., Interim Director of Contracts and Procurement.
5. Amend Form P-37, General Provisions, Block 1.10, to read:
271-9246
6. Delete Exhibit A, Scope of Services, in its entirety and replace with Exhibit A, Amendment #1.
7. Add Exhibit B-2, Amendment 1, Budget Form for SFY 2017.
8. Add Exhibit B-3, Budget Form for the Budget Period FY 2018.
9. Add Exhibit B-4, Budget Form for the Budget Period FY 2019.

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



New Hampshire Department of Health and Human Services
Peer Recovery Support Services Facilitating Organization (PRSS FO)

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

5-1-17
Date

[Signature]
Katia S. Fox
Director, Division for Behavior Health

Harbor Homes, Inc.

4-24-17
Date

[Signature]
NAME: Peter Kelleher
TITLE: President & CEO

Acknowledgement of Contractor's signature:

State of New Hampshire County of Hillsborough on April 24th 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]
Signature of Notary Public or Justice of the Peace

William C Martin, Justice of the Peace
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

My Commission Expires: _____

Harbor Homes, Inc.

Amendment #1

Contractor Initials: [Signature]

Date: 4/24/17



New Hampshire Department of Health and Human Services
Peer Recovery Support Services Facilitating Organization (PRSS FO)

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

OFFICE OF THE ATTORNEY GENERAL

5/20/17
Date

[Signature]
Name: Megan Kelly
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. The Contractor will 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.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2017, and the Department shall not be liable for any payments for services provided after June 30, 2017, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2018-2019 biennia.
- 1.4. For the purposes of this contract, any reference to days shall mean consecutive calendar days, unless otherwise denoted as business days.
- 1.5. For the purposes of this contract, any reference to business days shall mean Monday through Friday, excluding State Employee holidays.
- 1.6. The selected Vendor must conduct an assessment of Recovery Community Organizations (RCOs) to determine the level of readiness for each RCO to become accredited according to the standards set forth by the Council on Accreditation of Peer Recovery Support Services (CAPRSS).
- 1.7. The selected Vendor must collaborate with the Council on Accreditation of Peer Recovery Support Services (CAPRSS) to provide each RCO with assistance to meet accreditation standards set forth by the CAPRSS.
- 1.8. The selected Vendor must collaborate with other PRSS technical assistance assets to assess the capacity of each RCO relative to the core and optional standards defined by the Council of Accreditation of Peer Recovery Support Services (CAPRSS).
- 1.9. The selected Vendor must work with the Department and RCOs to determine culturally appropriate process and outcome data collection and analysis.
- 1.10. The selected vendor must provide program management and oversight as well as implement a quality improvement process.

2. Scope of Services

- 2.1. The Contractor shall complete an accreditation readiness scan of all known Recovery Community Organizations (RCOs), statewide. The Contractor shall:
 - 2.1.1. Determine each RCO's ability to achieve Council of Accreditation of Peer Recovery Support Services (CAPRSS) accreditation.
 - 2.1.2. Determine each RCO's ability to open a Recovery Center.



- 2.1.3. Determine each RCO's capacity to provide Peer Recovery Support Services.
- 2.1.4. Determine each RCO's commitment to becoming a Medicaid provider, upon approval from the Center for Medicaid and Medicare Services (CMS) of the establishment of a 'Recovery Community Organization' provider type under the New Hampshire Medicaid program.
- 2.1.5. Provide a written determination of RCO readiness to the Department within 5 business days of completing the final RCO readiness scan.
- 2.2. The Contractor shall enter into contract with a minimum of seven (7) Recovery Community Organizations (RCOs) by June 30, 2017 and a minimum of ten (10) RCO's by June 30, 2019, in at least five (5) different Public Health Regions (See Appendix D – Regional Public Health Networks), as approved by the Department, in order to increase capacity for Peer Recovery Support Services (PRSS) within each of the selected ten (10) Recovery Community Organizations. The Contractor shall:
 - 2.2.1. Ensure that priority is given to Public Health Regions that do not have an RCO (See Appendix D – Regional Public Health Network).
 - 2.2.2. Provide a copy of each executed RCO contract to the Department within five (5) days of contract execution.
- 2.3. The Contractor shall collaborate with Peer Recovery Support Services (PRSS) technical assistance assets, including, but not limited to, CAPRSS, to assess each RCO for accreditation readiness in accordance with the standards set forth by the Council of Accreditation of Peer Recovery Support Services (CAPRSS). The Contractor shall:
 - 2.3.1. Complete a written assessment of each RCO that indicates the RCO's capacity to provide PRSS services and current operational standards.
 - 2.3.2. Develop a written plan with each RCO that includes, but is not limited to:
 - 2.3.2.1. Timeframes to meeting CAPRSS accreditation standards.
 - 2.3.2.2. Goals that must be attained by each RCO in order to meet CAPRSS accreditation standards.
 - 2.3.2.3. Technical assistance needed for each RCO in order to meet CAPRSS goals, time frame and technical assistance accreditation requirements.
 - 2.3.3. Ensure training and technical assistance identified in Section 2.3.2.3 is provided to each RCO, as needed.
- 2.4. The Contractor shall collaborate with the Council on Accreditation of Peer Recovery Support Services (CAPRSS) to provide assistance to each RCO to ensure each of the five (5) RCOs meet accreditation standards set forth by CAPRSS. The Contractor shall ensure assistance includes, but is not limited to:
 - 2.4.1. Personnel with the expertise necessary to deliver high quality training.



- 2.4.2. Technical assistance, as needed.
- 2.4.3. Organizational coaching.
- 2.4.4. Capacity development consultation.
- 2.4.5. Administrative support functions, as needed.
- 2.5. The Contractor shall collaborate with the Center for Excellence to develop and provide training as well as technical assistance to RCOs in order to:
 - 2.5.1. Assist RCOs to attain accreditation.
 - 2.5.2. Provide technical assistance to RCOs to enroll in Medicaid upon the establishment of a "Peer Recovery Program" provider type by the New Hampshire Medicaid Program based on Federal Center for Medicaid and Medicare Services (CMS) and other Federal and State requirements, which include:
 - 2.5.2.1. 42 CFR, Subpart B (<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=2a147022bd0e989f2eff02f0ba401830&mc=true&n=pt42.4.455&r=PART&ty=HTML#sp42.4.455.b>).
 - 2.5.2.2. 42 CFR, Subpart E (<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=2a147022bd0e989f2eff02f0ba401830&mc=true&n=sp42.4.455.e&r=SUBPART&ty=HTML>).
 - 2.5.2.3. 45 CFR, 164.512(d) (http://www.ecfr.gov/cgi-bin/text-idx?SID=07d0a507d28ee03b2b09dfd7a2be33d2&mc=true&node=se45.1.164_1512&rqn=div8)..
 - 2.5.3. Ensure personnel providing Peer Recovery Support services (PRSS) in RCOs are Certified Recovery Support Workers (CRSW) and meet the CAPRSS recovery coaching standards.
 - 2.5.4. Assist RCOs to expand capacity to include Peer Recovery Coaching and Telephone Recovery Support Services.
 - 2.5.5. Assist RCOs with expanding capacity to include back office support functions.
 - 2.5.6. Assist RCOs in establishing and a plan to sustain Recovery Center.
- 2.6. The Contractor shall utilize logistical support provided by the Center for Excellence to facilitate a Community of Practice that allows RCO administrators and leaders to establish and strengthen collegiality, cooperation, collaboration and informal mentoring among RCOs. The Contractor shall:
 - 2.6.1. Organize regular on-going RCO regional meetings with RCO administrators and leaders.
 - 2.6.2. Ensure meetings are widely advertised to all RCOs, statewide.
 - 2.6.3. Ensure that each subcontracted RCO engages in its local Regional Public Health Network (RPHN) to participate in continuum of care development work.



- 2.7. The Contractor shall assess the ability of each RCO to open and sustain a Recovery Center. The Contractor shall:
- 2.7.1. Complete a written assessment of each RCO that indicates each RCO's readiness to open and sustain a Recovery Center, that includes, but is not limited to:
 - 2.7.1.1. The current organizational structure of the RCO's Recovery Center or the RCO's readiness to open a Recovery Center, as appropriate.
 - 2.7.1.2. The number of people that can be served by the RCO's Recovery Center.
 - 2.7.1.3. The RCO's financial viability to support a Recovery Center.
 - 2.7.2. Work with each RCO to develop a written plan to open a Recovery Center.
 - 2.7.3. Ensure training and technical assistance is available to Recovery Center staff, which may include but is not limited to:
 - 2.7.3.1. Customer service training.
 - 2.7.3.2. Peer Recovery Coaching Services.
 - 2.7.3.3. Telephone Recovery Support Services.
 - 2.7.4. Assist RCOs to secure funding from other public and private sources to ensure ongoing sustainability of services.
- 2.8. The Contractor shall assist RCOs with performing back office functions that may include, but are not limited to:
- 2.8.1. Human resource functions.
 - 2.8.2. Financial functions such as accounting, bookkeeping and payroll.
 - 2.8.3. Billing functions.
- 2.9. The Contractor shall ensure billing services are available to each RCO until such time RCOs can perform billing functions on their own. Billing functions shall include, but are not limited to:
- 2.9.1. Accepting RCO invoices for PRSS services provided to clients.
 - 2.9.2. Submitting invoices to the Department for client services that are provided by the RCO and covered by funds in this grant for reimbursement.
 - 2.9.3. Submitting PRSS client services covered by Medicaid to the appropriate managed care organization (MCO).
 - 2.9.4. Disbursing payments received from MCOs to the appropriate RCO.
 - 2.9.5. Accepting RCO invoices for operational costs.
 - 2.9.6. Paying RCOs for operational costs on a cost reimbursement basis.



- 2.9.7. Submitting RCO operational cost invoices to the Department for reimbursement.
- 2.10. The Contractor shall collaborate with the NH Center for Excellence to:
 - 2.10.1. Identify data evaluation criteria.
 - 2.10.2. Implement an evaluation process in each RCO.
- 2.11. The Contractor shall ensure technical assistance is available to each RCO in order to collect, analyze and utilize data, for the evaluation process in Section 2.10.2., which shall include but is not limited to:
 - 2.11.1. Demographics, which include but are not limited to:
 - 2.11.1.1. Gender
 - 2.11.1.2. Age
 - 2.11.1.3. Ethnicity
 - 2.11.2. Primary drug of choice
 - 2.11.3. SAMHSA National Outcome Measures (http://www.dasis.samhsa.gov/dasis2/noms/noms_attach1.pdf), which include:
 - 2.11.3.1. Abstinence
 - 2.11.3.2. Crime and Criminal Justice
 - 2.11.3.3. Employment/Education
 - 2.11.3.4. Stability in Housing
 - 2.11.3.5. Social Connectedness
 - 2.11.4. Referral Source
 - 2.11.5. Client Financial Information
 - 2.11.6. Healthcare Coverage Information
 - 2.11.7. Substance Use Disorder treatment history
 - 2.11.8. Substance Use Disorder or Co-occurring Disorder recovery needs
 - 2.11.9. Participation in Community Services
 - 2.11.10. Recovery capital
- 2.12. The Contractor will work with the Department to identify the next cohort of RCOs to prepare them for CAPRSS accreditation.

3. Reporting Requirements

- 3.1. The Contractor shall provide a work plan for each state fiscal year by July 1st of that year. This work plan shall be subject to review and approval by the Bureau.
- 3.2. Report on readiness for all considered RCO, that includes but is not limited to:
 - 3.2.1. Progress on the annual work plan.



- 3.2.2. Accreditation readiness.
 - 3.2.3. Recovery center capacity
 - 3.2.4. Capacity to provider PRSS
 - 3.2.5. Commitment to enrolling in Medicaid, upon approval from the Center for Medicaid and Medicare Services (CMS) of the establishment of a 'Recovery Community Organization' provider type under the New Hampshire Medicaid program.
- 3.3. The Contractor shall provide quarterly reports that include but are not limited to:
- 3.3.1. Progress on the annual work plan.
 - 3.3.2. Progress on each RCO's work plan components.
 - 3.3.3. Information on RCO trainings conducted, including but not limited to, type of training provided and number of attendees.
 - 3.3.4. Information regarding RCO meetings that occurred, as described in Section 2.6, including but not limited to, venue, number of attendees and methods used to advertise meetings.
 - 3.3.5. Back office support provided, as described in Section 2.8.
- 3.4. The Contractor shall submit a final report to the Department that includes, but is not limited to:
- 3.4.1. Information on each of the five (5) RCOs including the number of individuals served during the three (3) months prior to subcontracting with the Contractor in comparison to the number of individuals served by the RCO from April 1st to June 30th of each subsequent year.
 - 3.4.2. How many and what type of trainings were provided over the term of the contract.
 - 3.4.3. The number of RCOs that are accredited by the CAPRSS.
 - 3.4.4. The number and location of each Recovery Center that opened as a result of contracted services.
 - 3.4.5. The type of PRSS services delivered by each RCO.
 - 3.4.6. Information regarding clients served, which shall include but not be limited to:
 - 3.4.6.1. Analysis of client data referenced in 2.11 by individual RCO.
 - 3.4.6.2. Analysis of aggregated client data
 - 3.4.7. Back Office functions performed for each RCOs, which may include but is not limited to:
 - 3.4.7.1. Human Resources.
 - 3.4.7.2. Financial.
 - 3.4.7.3. Client billing to other funding sources not in this contract.



3.4.8. All contractor work that has started and any progress toward CAPRSS accreditation for the next cohort of RCOs identified to the Department.

4. Deliverables

- 4.1. The Contractor shall provide copies of the executed contracts described in Section 2.2, to the Department within five (5) business days of fully executing the documents.
 - 4.1.1. Each sub-contract and renewal is subject to BDAS review and approval.
 - 4.1.2. Each sub-contract shall include requirements for billing BDAS for client recovery support services which shall include:
 - 4.1.2.1. Client unique identifier as defined by BDAS.
 - 4.1.2.2. Only those clients with incomes below 400% of the Federal Poverty Level, who are not eligible for payment for these services through another source, e.g. public or private insurance, are eligible for payment.
 - 4.1.2.3. Agencies may bill for Recovery Coaching, according to the New Hampshire Medicaid rates for Peer Recovery Support, Individual or Peer Recovery Support Group.
 - 4.1.2.4. Agencies may bill for Telephone Recovery Support Services according to the New Hampshire Medicaid rates for Care Management (Continuous Recovery Monitoring – CRM).
- 4.2. The Contractor shall complete an assessment, as described in Section 2.3.1, for each of the RCOs – for a minimum of five (5) assessments, within ninety (90) days of the contract effective date.
- 4.3. The Contractor shall provide a copy of each accreditation plan described in Section 2.3.2., within one hundred-twenty (120) days of the contract effective date.
- 4.4. The Contractor shall provide a written Recovery Center assessment, as described in Section 2.7, for each RCO, within one hundred-eighty (180) days of the contract effective date.
- 4.5. The Contractor shall provide the billing process and payment timeframes for providing the services in Section 2.8, within one hundred-twenty (120) days of the contract effective date.

5. Milestones and Activities

| Major Milestones and Activities | Person Responsible | Date of Completion, in days after contract effective date | Potential Barriers to Achievement | Plan to Overcome Barriers to Achievement |
|--------------------------------------|--------------------|-----------------------------------------------------------|-----------------------------------|------------------------------------------|
| Milestone 1: Report on the degree of | Project Director | 60 Days | No major barriers anticipated, as | Peter Kelleher (President and CEO) will |

New Hampshire Department of Health and Human Services
 PRSS Facilitating Organization Services

Exhibit A Amendment #1



| | | | | |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| readiness of each RCO in the State of NH (See Section 2.1). | | | this is primarily a self-managed FO task. One potential barrier is if the person selected to fill the Project Director role is not able to start on time. | oversee this first step of the project, working closely with CCAR. |
| Milestone 2: Initial assessment of each subcontracted RCO | Project Director and CCAR in collaboration with CAPRSS | 90 Days | Readiness/ability of RCO to enter into a subcontract agreement. | Contractor shall provide TA to facilitate the contract negotiations. |
| Milestone 3: Developing a written plan for accreditation | Project Director and CCAR in collaboration with CAPRSS | 120 Days | If any of the above milestones take longer than anticipated, this milestone may occur at a later date. | There is likely to be a minimum set of plan components applicable to all RCOs that can begin to occur as a collective, prior to formal completion of the individual plans. |
| Milestone 4: Providing training and technical assistance to RCOs | CCAR, Harbor Homes, Welcoming Light, NH Center for Excellence and CAPRSS. TA provided by CAPRSS will be at no cost to Harbor Homes or the RCOs. | Within 90 days but upon Subcontract Effective Date (and during the subcontracting process, as needed) throughout the funding period. | The Contractor shall begin providing TA/training from the beginning of the procurement process. Specific training/TA required for accreditation may be delayed if any of the above | The Contractor shall utilize web-based and in-person individual and group trainings to ensure accessibility issues are eliminated. On-site (within |



| | | | | |
|------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | milestones are delayed. Additionally, there may be accessibility issues that prevent some of the RCOs from attending trainings. | the RCO) trainings/TA will also be provided. |
| Milestone 5: Initial assessment for Recovery Center readiness | Project Director and CCAR | Within 180 days, and ongoing thereafter in accordance with individual plans | | |
| Milestone 6: Training RCOs billing functions | Project Coordinator/Administrator and HHI Backend Staff | Within 120 Days and ongoing thereafter | NH's implementation plan of related Medicaid benefit | None – this is a barrier we have no control over. However, we will work with Bi State Primary Care Association to provide public policy work related to this. |
| Milestone 7: Initial Meeting of RCO Community of Practice | Project Director, NH Center for Excellence | Within 60 Days (prior to the procurement process) | None | None |

Exhibit B-2 Amendment #1 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: PRSS Facilitating Organization

Budget Period: July 1, 2016 through June 30, 2017

| | | | | | | | | |
|--------------------------------------------------|----|-------------------|----|----------|----|-------------------|----|----------|
| 1. Total Salary/Wages | \$ | - | \$ | - | \$ | - | \$ | - |
| 2. Employee Benefits | \$ | - | \$ | - | \$ | - | \$ | - |
| 3. Consultants | \$ | - | \$ | - | \$ | - | \$ | - |
| 4. Equipment: | \$ | - | \$ | - | \$ | - | \$ | - |
| Rental | \$ | - | \$ | - | \$ | - | \$ | - |
| Repair and Maintenance | \$ | - | \$ | - | \$ | - | \$ | - |
| Purchase/Depreciation | \$ | - | \$ | - | \$ | - | \$ | - |
| 5. Supplies: | \$ | - | \$ | - | \$ | - | \$ | - |
| Educational | \$ | - | \$ | - | \$ | - | \$ | - |
| Lab | \$ | - | \$ | - | \$ | - | \$ | - |
| Pharmacy | \$ | - | \$ | - | \$ | - | \$ | - |
| Medical | \$ | - | \$ | - | \$ | - | \$ | - |
| Office | \$ | - | \$ | - | \$ | - | \$ | - |
| 6. Travel | \$ | - | \$ | - | \$ | - | \$ | - |
| 7. Occupancy | \$ | - | \$ | - | \$ | - | \$ | - |
| 8. Current Expenses | \$ | - | \$ | - | \$ | - | \$ | - |
| Telephone | \$ | - | \$ | - | \$ | - | \$ | - |
| Postage | \$ | - | \$ | - | \$ | - | \$ | - |
| Subscriptions | \$ | - | \$ | - | \$ | - | \$ | - |
| Audit and Legal | \$ | - | \$ | - | \$ | - | \$ | - |
| Insurance | \$ | - | \$ | - | \$ | - | \$ | - |
| Board Expenses | \$ | - | \$ | - | \$ | - | \$ | - |
| 9. Software | \$ | - | \$ | - | \$ | - | \$ | - |
| 10. Marketing/Communications | \$ | - | \$ | - | \$ | - | \$ | - |
| 11. Staff Education and Training | \$ | - | \$ | - | \$ | - | \$ | - |
| 12. Subcontracts/Agreements | \$ | 116,000.00 | \$ | - | \$ | 116,000.00 | \$ | - |
| 13. Other (specific details mandatory): | \$ | - | \$ | - | \$ | - | \$ | - |
| Client Reimbursement Activities - subcontractors | \$ | - | \$ | - | \$ | - | \$ | - |
| | \$ | - | \$ | - | \$ | - | \$ | - |
| | \$ | - | \$ | - | \$ | - | \$ | - |
| TOTAL | \$ | 116,000.00 | \$ | - | \$ | 116,000.00 | \$ | - |

Indirect As A Percent of Direct

0.0%

Exhibit B-2 Amendment #1
Budget Narrative

| HARBOR HOMES INC. PRSS FO GRANT BUDGET - FY 2017 | | |
|-----------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------|
| | | Narrative |
| PRSS FUNDING | 116,000 | Contractor funds |
| TOTAL REVENUE | 116,000 | |
| EXPENSES | | |
| Total Salaries & Wages | - | |
| Fringe | - | |
| Legal Cost | - | |
| Equipment - Laptop & Printer | - | |
| Software Cost | - | |
| Contractor | | |
| Travel | | |
| Subcontractors | 116,000 | To fund 1 additional subcontractor in FY 2017 to provide all direct care services/operational cost. |
| TOTAL EXPENSES | 116,000 | |

Exhibit B-3 Amendment #1 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: PRSS Facilitating Organization

Budget Period: July 1, 2017 through June 30, 2018

| | | | | |
|--------------------------------------------------|------------------------|-------------|------------------------|-------------|
| 1. Total Salary/Wages | \$ 290,000.00 | \$ - | \$ 290,000.00 | \$ - |
| 2. Employee Benefits | \$ 58,000.00 | \$ - | \$ 58,000.00 | \$ - |
| 3. Consultants | \$ 5,900.00 | \$ - | \$ 5,900.00 | \$ - |
| 4. Equipment: | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ 3,200.00 | \$ - | \$ 3,200.00 | \$ - |
| 5. Supplies: | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 3,000.00 | \$ - | \$ 3,000.00 | \$ - |
| 6. Travel | \$ 6,000.00 | \$ - | \$ 6,000.00 | \$ - |
| 7. Occupancy | \$ 6,000.00 | \$ - | \$ 6,000.00 | \$ - |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 960.00 | \$ - | \$ 960.00 | \$ - |
| Postage | \$ 240.00 | \$ - | \$ 240.00 | \$ - |
| Subscriptions | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 4,200.00 | \$ - | \$ 4,200.00 | \$ - |
| Board Expenses | \$ - | \$ - | \$ - | \$ - |
| 9. Software | \$ - | \$ - | \$ - | \$ - |
| 10. Marketing/Communications | \$ - | \$ - | \$ - | \$ - |
| 11. Staff Education and Training | \$ 35,000.00 | \$ - | \$ 35,000.00 | \$ - |
| 12. Subcontracts/Agreements | \$ 1,087,500.00 | \$ - | \$ 1,087,500.00 | \$ - |
| 13. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - |
| Client Reimbursement Activities - subcontractors | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 1,500,000.00 | \$ - | \$ 1,500,000.00 | \$ - |

Indirect As A Percent of Direct

0.0%

Budget B-3 Amendment #1
Budget Narrative

| HARBOR HOMES INC. | | |
|--------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRSS FO GRANT BUDGET - FY 2018 | | |
| | | Narrative |
| PRSS FUNDING - GRANT REQUEST | 412,500 | Contractor Administrators funds |
| PRSS FUNDING - GRANT REQUEST | 1,087,500 | RCO operational funds/Client services reimbursement |
| TOTAL REVENUE | 1,500,000 | |
| EXPENSES | | |
| | | Oversee and provide all trainings to subcontractors, develop and establish subs, complete all project development and monitoring of all subcontractors. Act as a temporary CEO to all subs and assist on developing board of directors and organizational structure. |
| Project Director | 90,000 | |
| Assistant Project Director | 60,000 | To provide assisting to contractors on developing required policies and procedures, applying for medicaid, status |
| Back-end support services | 140,000 | Internal back-office support such as A/R, A/P, Bookkeeping, HR, IT, Finance and any other accounting activities related to this program, as well as all activities pertaining to the administration of this contract and this grant. Including all back office operational cost to conclude these activities. |
| Total Salaries & Wages | 290,000 | |
| Employee Benefits | 58,000 | 20% of salary & wages - agency running rate. |
| Consultant | 5,900 | Consultant/legal/ Accreditation expenses to develop and assist agency to complete subcontractors agreement. |
| Office Supplies | 3,000 | \$200/mth for office supplies to support operations |
| Travel Expenses | 3,200 | An average of \$3,200 a year for local travel cost |
| Occupancy Cost | 6,000 | To cover the cost of space based on the allocation so square footage. |
| Telephone | 960 | \$80/mth for telephone expenses |
| Postage | 240 | \$20/mth fo any mailling needed |
| Insurance | 4,200 | \$305/mth to cover WC & propoerty and liability policies |
| Staff education/Training | 35,000 | To cover training and technical assistance as show and an to fund additional contractors for assist with grant/funding development and capacity building, including additional HR functions, like developing policy and procedures, employee & benefit structure for training contrators to support the necessary training to all subcontractors. |
| Travel | 6,000 | Staff Transportation to cost to travel between subcontractors agency. |
| Subcontractors/Agreement RCO- pass through funds | 1,087,500 | To fund subcontractors to provide all direct care services/operational cost, including funds to provide cliendt reimbursement activities doen by contractors. |
| TOTAL EXPENSES | 1,500,000 | |

Exhibit B-4 Amendment #1 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: PRSS Facilitating Organization

Budget Period: July 1, 2018 through June 30, 2019

| | | | | |
|--------------------------------------------------|------------------------|-------------|------------------------|-------------|
| 1. Total Salary/Wages | \$ 290,000.00 | \$ - | \$ 290,000.00 | \$ - |
| 2. Employee Benefits | \$ 58,000.00 | \$ - | \$ 58,000.00 | \$ - |
| 3. Consultants | \$ 5,900.00 | \$ - | \$ 5,900.00 | \$ - |
| 4. Equipment: | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ 3,200.00 | \$ - | \$ 3,200.00 | \$ - |
| 5. Supplies: | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 3,000.00 | \$ - | \$ 3,000.00 | \$ - |
| 6. Travel | \$ 6,000.00 | \$ - | \$ 6,000.00 | \$ - |
| 7. Occupancy | \$ 6,000.00 | \$ - | \$ 6,000.00 | \$ - |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 960.00 | \$ - | \$ 960.00 | \$ - |
| Postage | \$ 240.00 | \$ - | \$ 240.00 | \$ - |
| Subscriptions | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 4,200.00 | \$ - | \$ 4,200.00 | \$ - |
| Board Expenses | \$ - | \$ - | \$ - | \$ - |
| 9. Software | \$ - | \$ - | \$ - | \$ - |
| 10. Marketing/Communications | \$ - | \$ - | \$ - | \$ - |
| 11. Staff Education and Training | \$ 35,000.00 | \$ - | \$ 35,000.00 | \$ - |
| 12. Subcontracts/Agreements | \$ 1,087,500.00 | \$ - | \$ 1,087,500.00 | \$ - |
| 13. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - |
| Client Reimbursement Activities - subcontractors | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 1,600,000.00 | \$ - | \$ 1,600,000.00 | \$ - |

Indirect As A Percent of Direct

0.0%



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

Jeffrey A. Meyers
 Commissioner

Katja S. Fox
 Director

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

May 5, 2016

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

G&C Approved

Date 6/1/16
 Item # 13

REQUESTED ACTION

Authorize the Department of Health and Human Services, Bureau of Drug and Alcohol Services to enter into an agreement with Harbor Homes, Inc. (Vendor # 155358-B001), 45 High Street, Nashua NH, 03060, in an amount not to exceed \$1,500,000, to facilitate the development and networking of Peer Recovery Support Services available through Recovery Community Organizations in a minimum of five (5) Regional Public Health Regions in order to significantly reduce alcohol and drug misuse and its social, behavioral and health consequences statewide, effective the date of Governor and Executive approval through June 30, 2017. 13 % General Funds, 40% Federal Funds, 47% Other Funds

Funds to support this request are available in the following accounts in State Fiscal Year 2016 and State Fiscal Year 2017, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified without further approval by the Governor and Executive Council.

05-95-491510-2989 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV OF COMM BASED CARE SVC, BUREAU OF DRUG 7 ALCOHOL, SVCS, GOVERNOR COMMISSION FUNDS

| SFY | Class/Object | Title | Activity Code | Amount |
|------|--------------|--------------------------|---------------------------|------------------|
| 2016 | 102-500734 | Contracts for Social Svc | 49158501 | \$2,820 |
| 2017 | 102-500734 | Contracts for Social Svc | 49158501 | \$697,180 |
| | | | Contract Subtotal: | \$700,000 |

05-95-491510-2990 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV OF COMM BASED CARE SVC, BUREAU OF DRUG 7 ALCOHOL, SVCS, CLINICAL SERVICES

| SFY | Class/Object | Title | Activity Code | Amount |
|------|--------------|--------------------------|---------------------------|--------------------|
| 2016 | 102-500734 | Contracts for Social Svc | 49156501 | \$3,180 |
| 2017 | 102-500734 | Contracts for Social Svc | 49156501 | \$796,820 |
| | | | Contract Subtotal: | \$800,000 |
| | | | Contract Total: | \$1,500,000 |

EXPLANATION

The purpose of this request is to initiate the creation of a statewide, geographically diverse Peer Recovery Support Services network by supporting the development of Recovery Community Organizations in at least five (5) of the thirteen (13) Public Health Regions. Peer Recovery Support Services are part of the Department's overall strategy to respond to substance misuse issues that negatively impact New Hampshire citizens, families and communities. The need to respond to substance misuse issues is heightened by the opioid epidemic, which caused 325 opioid deaths in 2014 and is trending for a significant increase in that number for 2015.

The vendor will conduct an assessment of Recovery Community Organizations to determine the level of readiness for each of them to become accredited according to the standards set forth by the Council on Accreditation of Peer Recovery Support Services and to provide peer recovery support services. The vendor will enter into contracts with a minimum of five (5) Recovery Community Organizations in different Public Health Regions, in order to:

- Increase capacity for Peer Recovery Support Services within each of the selected Organizations.
- Assist the Recovery Community Organizations to become accredited according to the standards set forth by the Council on Accreditation of Peer Recovery Support Services.
- Ensure personnel providing Peer Recovery Support Services in Recovery Community Organizations are Certified Recovery Support Workers and meet the recovery coaching standards set by the Council on Accreditation of Peer Recovery Support Services.

The vendor will provide Recovery Community Organizations with technical assistance to enroll in Medicaid as well as provide back office support functions. The vendor will also assist RCOs with establishing a plan to sustain Recovery Centers.

This contract was competitively bid. On February 5, 2016 the Department issued a Request for Applications from non-profit organizations to facilitate the development and networking of Peer Recovery Support Services. The request was available on the Department's website from February 5, 2016 through March 4, 2016. Three applications were received and evaluated by a team of Department employees with extensive knowledge of the program requirements as well as significant business and management expertise. Harbor Homes, Inc. was selected as the vendor to provide services. The bid summary is attached.

The attached contract includes renewal language for up to four additional years, based upon the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

It is the intention of the Department and the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment and Recovery (Governor's Commission) to ensure financial, operational, and technical assistance and training that will support Recovery Community Organizations in each of the thirteen (13) Regional Public Health Networks in the state. There are not adequate funds available at this time to meet the Department's and Governor's Commission's full intention to ensure the financial, operations and technical support and training to support the Recovery Community Organizations. Therefore, the vendor, through this contract, will contribute to the initial costs for developing and delivering Peer Recovery Support Services through subcontracts with Recovery Community Organizations.

Recovery Community Organizations will be expected to leverage additional public and private resources against the resources offered through the resulting contract, thereby increasing and sustaining the Peer Recovery Support Services beyond those funded through the State's contribution.

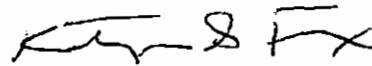
Should the Governor and Executive Council not approve this request, the Department's overall strategy to respond to substance misuse issues will be negatively impacted.

Area Served: Statewide.

Source of Funds: 40% Federal Funds from United States Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.959 FAIN T1010035-15 and 47% Other Funds from the Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment and 13% General Funds..

In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Katja S. Fox
Director

Approved by:



Jeffrey A. Meyers
Commissioner



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

**Peer Recovery Support Services
(PRSS)**

Facilitating Organization

#16-DHHS-BDAS-GCF-RFA-02

RFA Name

RFA Number

Reviewer Names

Bidder Name

| Pass/Fail | Maximum Points | Actual Points |
|-----------|----------------|---------------|
| | 600 | 392 |
| | 600 | 538 |
| | 600 | 305 |
| | 600 | 0 |
| | 600 | 0 |

1. Fedcap Rehabilitative Services, Inc.
2. Harbor Homes, Inc.
3. New Hampshire Alcohol & Drug Abuse Counselors Association
4. 0
5. 0

1. Lindy Keller, Administrator I
2. Lauren Quann, Program Specialist IV
3. Thomas Grinley, Program Planner I
4. Peter Reid, Administrator III
5. _____
6. _____
7. _____

HARBOR HOMES, INC.

Financial Statements

For the Year Ended June 30, 2015

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

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

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Homes, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 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 December 10, 2015 on our consideration of the Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.

Melanson Heath

December 10, 2015

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2015

(With Comparative Totals as of June 30, 2014)

| <u>ASSETS</u> | <u>2015</u> | <u>2014</u> |
|------------------------------------------------------------|----------------------|----------------------|
| Current Assets: | | |
| Cash and cash equivalents | \$ 191,326 | \$ 170,394 |
| Investments | 10,299 | - |
| Accounts receivable, net | 1,020,434 | 1,009,099 |
| Patient services receivable, net | 290,292 | 428,886 |
| Promises to give | - | 50,000 |
| Due from related organizations | 90,703 | 24,522 |
| Prepaid expenses | 66,069 | 28,575 |
| Total Current Assets | <u>1,669,123</u> | <u>1,711,476</u> |
| Noncurrent Assets: | | |
| Property and Equipment, net of accumulated depreciation | 20,069,439 | 19,999,007 |
| Restricted deposits and funded reserves | 346,027 | 320,291 |
| Due from related organizations | 318,935 | 352,502 |
| Beneficial interest | 149,503 | 148,204 |
| Deferred compensation plan | 91,937 | 40,936 |
| Total Noncurrent Assets | <u>20,975,841</u> | <u>20,860,940</u> |
| Total Assets | <u>\$ 22,644,964</u> | <u>\$ 22,572,416</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts payable | \$ 448,625 | \$ 600,049 |
| Accrued expenses | 720,016 | 704,676 |
| Due to related organizations | 109,364 | 160,868 |
| Line of credit | 733,319 | 400,868 |
| Deferred revenue | 2,259 | 2,333 |
| Current portion of capital leases payable | 43,126 | - |
| Current portion of mortgages payable | 201,707 | 198,801 |
| Total Current Liabilities | <u>2,258,416</u> | <u>2,067,595</u> |
| Long Term Liabilities: | | |
| Security deposits | 42,494 | 41,529 |
| Deferred compensation plan | 91,937 | 40,936 |
| Other liabilities | - | 13,783 |
| Capital leases payable, net of current portion | 61,431 | - |
| Mortgages payable, tax credits | 121,367 | 142,410 |
| Mortgages payable, net of current portion | 7,191,180 | 7,383,828 |
| Mortgages payable, deferred | 5,332,834 | 5,332,834 |
| Total Long Term Liabilities | <u>12,841,243</u> | <u>12,955,320</u> |
| Total Liabilities | 15,099,659 | 15,022,915 |
| Unrestricted Net Assets | 7,498,125 | 7,499,959 |
| Temporarily Restricted Net Assets | 47,180 | 49,542 |
| Total Net Assets | <u>7,545,305</u> | <u>7,549,501</u> |
| Total Liabilities and Net Assets | <u>\$ 22,644,964</u> | <u>\$ 22,572,416</u> |

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

| | Unrestricted <u>Net Assets</u> | Temporarily Restricted <u>Net Assets</u> | 2015 <u>Total</u> | 2014 <u>Total</u> |
|------------------------------------------------|-----------------------------------|------------------------------------------------|----------------------|----------------------|
| <u>Public Support and Revenue:</u> | | | | |
| Public Support: | | | | |
| Federal grants | \$ 3,343,768 | \$ - | \$ 3,343,768 | \$ 6,117,734 |
| State, local, and other grants | 2,354,114 | - | 2,354,114 | 1,718,713 |
| Contributions | 397,840 | 47,050 | 444,890 | 273,062 |
| Fundraising events | 1,522 | - | 1,522 | 52,519 |
| Net assets released from restriction | 49,412 | (49,412) | - | - |
| Total Public Support | <u>6,146,656</u> | <u>(2,362)</u> | <u>6,144,294</u> | <u>8,162,028</u> |
| Revenue: | | | | |
| Department of Housing and Urban Development | 2,872,237 | - | 2,872,237 | 2,781,626 |
| Veterans Administrative grants | 2,464,140 | - | 2,464,140 | 2,226,141 |
| Contracted services | 1,008,778 | - | 1,008,778 | 1,254,522 |
| Patient service revenues, net (see Note 23) | 893,197 | - | 893,197 | 227,575 |
| Medicaid - Federal and State, net | 820,177 | - | 820,177 | 789,603 |
| Rent and service charges, net | 438,744 | - | 438,744 | 655,416 |
| Other fees and miscellaneous | 212,486 | - | 212,486 | 279,258 |
| Other patient revenues | 144,598 | - | 144,598 | 91,975 |
| Outside rent | 110,841 | - | 110,841 | 95,816 |
| Management fees | 35,478 | - | 35,478 | 32,796 |
| Interest | 1,393 | - | 1,393 | 164 |
| Unrealized gain/(loss) | 1,315 | - | 1,315 | 20,185 |
| Gain (loss) on disposal of fixed assets | 332,618 | - | 332,618 | 601,751 |
| Total Revenue | <u>9,336,002</u> | <u>-</u> | <u>9,336,002</u> | <u>9,056,828</u> |
| Total Public Support and Revenue | <u>15,482,658</u> | <u>(2,362)</u> | <u>15,480,296</u> | <u>17,218,856</u> |
| <u>Expenses:</u> | | | | |
| Program | 13,331,133 | - | 13,331,133 | 10,852,114 |
| Administration | 1,772,573 | - | 1,772,573 | 1,817,339 |
| Fundraising | 380,786 | - | 380,786 | 481,768 |
| Total Expenses | <u>15,484,492</u> | <u>-</u> | <u>15,484,492</u> | <u>13,151,221</u> |
| Change in net assets | (1,834) | (2,362) | (4,196) | 4,067,635 |
| Net Assets, Beginning of Year | <u>7,499,959</u> | <u>49,542</u> | <u>7,549,501</u> | <u>3,481,866</u> |
| Net Assets, End of Year | <u>\$ 7,498,125</u> | <u>\$ 47,180</u> | <u>\$ 7,545,305</u> | <u>\$ 7,549,501</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, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

| | <u>Program</u> | <u>Administration</u> | <u>Fundraising</u> | <u>2015 Total</u> | <u>2014 Total</u> |
|----------------------------------------|----------------------|-----------------------|--------------------|-----------------------|-----------------------|
| Expenses: | | | | | |
| Accounting fees | \$ - | \$ 45,104 | \$ - | \$ 45,104 | \$ 49,400 |
| Advertising and promotion | 2,902 | 2,950 | 69 | 5,921 | 30,423 |
| Client expenses | 237,585 | - | - | 237,585 | 145,130 |
| Conferences, conventions, and meetings | 25,280 | 286 | 73 | 25,639 | 37,062 |
| Contract labor | 287,605 | 1,984 | - | 289,589 | 261,832 |
| Employee benefits | 740,651 | 265,521 | 48,032 | 1,054,204 | 838,648 |
| Grants | 257,722 | - | - | 257,722 | 295,416 |
| Information technology | 96,497 | 51,917 | - | 148,414 | 94,220 |
| Insurance | 83,672 | 15,389 | 1,346 | 100,407 | 94,021 |
| Interest | 413,629 | 43,126 | 1,098 | 457,853 | 419,945 |
| Legal fees | 5,195 | 20,157 | 325 | 25,677 | 47,942 |
| Management fees | 10,518 | - | - | 10,518 | 8,964 |
| Occupancy | 4,373,241 | 69,750 | 4,031 | 4,447,022 | 3,593,603 |
| Office expenses | 154,483 | 50,221 | 2,293 | 206,997 | 181,493 |
| Operational supplies | 137,619 | 566 | 468 | 138,653 | 99,313 |
| Other expenses | 20,321 | 36,234 | 19,128 | 75,683 | 75,445 |
| Payroll taxes | 399,451 | 68,687 | 23,027 | 491,165 | 482,708 |
| Professional fees | 225,431 | 52,621 | 2,928 | 280,980 | 237,612 |
| Salaries and wages | 4,868,552 | 900,109 | 272,338 | 6,040,999 | 5,320,645 |
| Security deposits | 139,407 | 900 | - | 140,307 | 117,348 |
| Staff development and expenses | 43,049 | 43,670 | 49 | 86,768 | 23,287 |
| Travel | 47,703 | 2,083 | 374 | 50,160 | 60,948 |
| Total Expenses Before Depreciation | <u>12,570,513</u> | <u>1,671,275</u> | <u>375,579</u> | <u>14,617,367</u> | <u>12,515,405</u> |
| Depreciation and amortization | <u>760,620</u> | <u>101,298</u> | <u>5,207</u> | <u>867,125</u> | <u>635,816</u> |
| Total Functional Expenses | <u>\$ 13,331,133</u> | <u>\$ 1,772,573</u> | <u>\$ 380,786</u> | <u>\$ 15,484,492</u> | <u>\$ 13,151,221</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, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

| | <u>2015</u> | <u>2014</u> |
|--------------------------------------------------------------------------------------|-------------------|--------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ (4,196) | \$ 4,067,635 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation and amortization | 867,125 | 635,816 |
| (Gain) loss on disposal of fixed assets | (332,618) | (601,751) |
| (Gain) on beneficial interest | (1,299) | (19,967) |
| (Increase) Decrease In: | | |
| Accounts receivable | (11,333) | (742,710) |
| Patient services receivable | 138,594 | - |
| Promises to give | 50,000 | 50,000 |
| Prepaid expenses | (37,494) | (1,372) |
| Increase (Decrease) In: | | |
| Accounts payable | (151,424) | 355,331 |
| Accrued expenses | 15,340 | 207,140 |
| Deferred revenue | (74) | (61,324) |
| Other liabilities | (13,783) | -9,535 |
| Net Cash Provided by Operating Activities | <u>518,838</u> | <u>3,898,333</u> |
| Cash Flows From Investing Activities: | | |
| Restricted deposits and funded reserves | (25,736) | (120,585) |
| Security deposits | 965 | 4,107 |
| Proceeds from sale of fixed assets | 395,370 | 866,502 |
| Purchase of fixed assets | (868,311) | (4,043,454) |
| Purchase of investments | (10,299) | - |
| Net Cash Used by Investing Activities | <u>(508,011)</u> | <u>(3,293,430)</u> |
| Cash Flows From Financing Activities: | | |
| Borrowings from line of credit | 1,564,496 | - |
| Payments on line of credit | (1,232,045) | (407,000) |
| Payments on long term borrowings | (238,228) | (407,900) |
| Net change in due to/from related organizations | (84,118) | (60,131) |
| Net Cash Provided by (Used for) Financing Activities | <u>10,105</u> | <u>(875,031)</u> |
| Net Increase (Decrease) | 20,932 | (270,128) |
| Cash and Cash Equivalents, Beginning of Year | <u>170,394</u> | <u>440,522</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 191,326</u> | <u>\$ 170,394</u> |
| Supplemental disclosures of cash flow information: | | |
| Interest paid | <u>\$ 457,717</u> | <u>\$ 429,621</u> |
| Non-cash financing activities | <u>\$ 132,000</u> | <u>\$ 518,515</u> |

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

HARBOR HOMES, INC.

Notes to the Financial Statements

1. **Organization:**

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

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

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

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

Accounting for Contributions and Financial Statement Presentation

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

Basis of Accounting

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

Restricted and Unrestricted Revenue

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

Cash and Cash Equivalents

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

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 Receivable, Net

Patient services receivable 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 2015. 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 23).

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, 2015, 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 \$547,652 at June 30, 2015. 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, 2015. The bank balance is categorized as follows:

| | |
|--------------------------------|-------------------|
| Insured by FDIC | \$ 445,879 |
| Insured by SIPC | 69,994 |
| Uninsured and uncollateralized | <u>52,583</u> |
| Total Bank Balance | <u>\$ 568,456</u> |

4. Investments:

The Organization's investments are reported on the basis of quoted market prices and consist of the following at June 30, 2015:

| | <u>Cost</u> | <u>Market Value</u> | <u>Unrealized Gain or (Loss) To Date</u> |
|--------|--------------------|---------------------|------------------------------------------|
| Stocks | \$ <u>10,299</u> | \$ <u>10,299</u> | \$ <u>-</u> |
| Total | \$ <u>- 10,299</u> | \$ <u>10,299</u> | \$ <u>-</u> |

5. Receivables, Net:

Accounts receivable at June 30, 2015 consists of the following:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|-------------------|---------------------|--------------------|---------------------|
| Grants | \$ 867,631 | \$ - | \$ 867,631 |
| Medicaid | 71,825 | - | 71,825 |
| Other | 51,590 | - | 51,590 |
| Residents | 84,245 | (59,903) | 24,342 |
| Security deposits | <u>5,046</u> | <u>-</u> | <u>5,046</u> |
| Total | <u>\$ 1,080,337</u> | <u>\$ (59,903)</u> | <u>\$ 1,020,434</u> |

Patient accounts receivable, related to the Organization's federally qualified health care center, consisted of the following at June 30, 2015:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|----------|-------------------|---------------------|-------------------|
| Medicaid | \$ 191,715 | \$ - | \$ 191,715 |
| Medicare | 39,250 | - | 39,250 |
| Other | <u>329,274</u> | <u>(269,947)</u> | <u>59,327</u> |
| Total | <u>\$ 560,239</u> | <u>\$ (269,947)</u> | <u>\$ 290,292</u> |

6. Due To/From Related Organizations:

Due to/from related organizations represents amounts due to and from Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors (See Note 19). 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, 2015 are as follows:

| | <u>Due From</u> | <u>Due to</u> |
|--------------------------------------------|-------------------|-------------------|
| Current: | | |
| Healthy at Home | \$ - | \$ 99,125 |
| Southern NH HIV/AIDS Task Force | - | 10,239 |
| Greater Nashua Council on Alcoholism | 56,975 | - |
| HH Ownership, Inc. | 17,495 | - |
| Harbor Homes III, Inc. | <u>16,233</u> | <u>-</u> |
| Subtotal current | 90,703 | 109,364 |
| Noncurrent: | | |
| Milford Regional Counseling Services, Inc. | 50,033 | - |
| Harbor Homes II, Inc. | 121,150 | - |
| Welcoming Light, Inc. | <u>147,752</u> | <u>-</u> |
| Subtotal noncurrent | <u>318,935</u> | <u>-</u> |
| Total | <u>\$ 409,638</u> | <u>\$ 109,364</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 HRA | \$ 38,543 |
| Prepaid software maintenance | 26,000 |
| Prepaid other | <u>1,526</u> |
| Total | \$ <u>66,069</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 | 5,983,486 |
| Software | 410,041 |
| Vehicles | 211,878 |
| Furniture and fixtures | 148,622 |
| Equipment | 372,116 |
| Dental equipment | 141,716 |
| Medical equipment | <u>58,022</u> |
| Subtotal | 25,216,121 |
| Less: accumulated depreciation | <u>(5,146,682)</u> |
| Total | \$ <u>20,069,439</u> |

Depreciation expense for the year ended June 30, 2015 totaled \$867,125.

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:

| | <u>Program Operations</u> |
|---------------------------|-------------------------------|
| Security deposits | \$ 37,447 |
| Reserve for replacements | 304,214 |
| Residual receipt deposits | <u>4,366</u> |
| Total | <u>\$ 346,027</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, 2015, the value of the fund was \$149,503.

11. Accrued Expenses:

Accrued expenses include the following:

| | <u>Program Operations</u> |
|--------------------------------------|-------------------------------|
| Mortgage interest | \$ 2,474 |
| Payroll and related taxes | 313,560 |
| Compensated absences - vacation time | 361,016 |
| Compensated absences - personal time | <u>42,966</u> |
| Total | <u>\$ 720,016</u> |

12. Line of Credit:

At June 30, 2015, the Organization had a \$1,000,000 of credit available from TD Bank, N. A. due February 28, 2016, 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, 2015, the credit line had an outstanding balance of \$733,319 at an interest rate of 4.25%.

13. 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.

14. 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> |
|-------------|-------------------|
| 2016 | \$ 47,985 |
| 2017 | 47,985 |
| 2018 | 15,995 |
| Total | <u>\$ 111,965</u> |

At June 30, 2015, equipment of \$132,000, net of amortization of \$6,600, related to the above capital leases.

15. 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, 2015 is \$121,367.

16. Mortgages Payable:

Mortgages payable as of June 30, 2015 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. \$ 1,192,597

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. 1,183,704

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. 1,095,094

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. 707,137

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. 678,412

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. 640,990

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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. 458,586

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. 474,767

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. 301,589

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. 230,126

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. 149,528

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. 130,245

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A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property located at 4 New Have Drive, Unit 202 in Nashua, NH. 99,580

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. 50,532

Total 7,392,887

Less amount due within one year (201,707)

Mortgages payable, net of current portion \$ 7,191,180

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2016 | \$ 201,707 |
| 2017 | 225,721 |
| 2018 | 242,625 |
| 2019 | 235,277 |
| 2020 | 249,036 |
| Thereafter | <u>6,238,521</u> |
| Total | \$ <u>7,392,887</u> |

17. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2015 totaling \$5,332,834. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

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

The following is a list of deferred mortgages payable at June 30, 2015:

| | <u>Program Operations</u> |
|-----------------------------------|-------------------------------|
| City of Manchester: | |
| Somerville Street property | \$ <u>300,000</u> |
| Total City of Manchester | 300,000 |
| City of Nashua: | |
| Factory Street property | 580,000 |
| Spring Street property | 491,000 |
| Charles Street property | 98,087 |
| High Street fire system | <u>65,000</u> |
| Total City of Nashua | 1,234,087 |
| Federal Home Loan Bank (FHLB): | |
| Factory Street property | 400,000 |
| Somerville Street property | 400,000 |
| Spring Street property | <u>398,747</u> |
| Total FHLB | 1,198,747 |
| NHHFA: | |
| Factory Street property | 1,000,000 |
| Spring Street property | 550,000 |
| Charles Street property | 50,000 |
| Somerville Street property | <u>1,000,000</u> |
| Total NHHFA | <u>2,600,000</u> |
| Total Mortgages Payable, Deferred | <u>\$ 5,332,834</u> |

18. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2015:

| <u>Purpose</u> | <u>Amount</u> |
|------------------------|------------------|
| Art supplies | \$ 433 |
| Client transportation | 2,558 |
| Christmas gifts | 300 |
| Dalianis bricks | 735 |
| HVRP client assistance | 6,858 |
| Operation brightside | 2,000 |
| PEC | 229 |
| SCOAP | 1,052 |
| Software | 25,000 |
| Standdown | 770 |
| Thanksgiving | 1,615 |
| Veterans computers | 5,630 |
| Total | <u>\$ 47,180</u> |

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

19. 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 \$24,816, \$14,000 and \$60,000, respectively, for fiscal year 2015.

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

20. 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, 2015 were \$192,367.

The Organization maintains a deferred compensation plan for certain employees and directors (the "SA Plan"). The deferred compensation liability under the SA Plan was \$91,937 as of June 30, 2015 and was recorded as a long-term liability. This liability is offset by a corresponding long-term asset in the same amount.

21. Concentration of Risk:

The Organization receives 34%, 19%, 16% and 10% of its revenue from the Department of Health and Human Services, the Department of Housing and Urban Development, the Department of Veterans Affairs, and Medicaid, respectively.

22. 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 | \$ 10,299 | \$ 10,299 | \$ 10,299 | \$ - | \$ - |
| Due from related organizations | 409,638 | 409,638 | - | - | 409,638 |
| Beneficial interest | 149,503 | 149,503 | - | - | 149,503 |
| Total assets | <u>\$ 569,440</u> | <u>\$ 569,440</u> | <u>\$ 10,299</u> | <u>\$ -</u> | <u>\$ 559,141</u> |

(continued)

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| | <u>Carrying Value</u> | <u>Fair Value</u> | <u>Level One</u> | <u>Level Two</u> | <u>Level Three</u> |
|--------------------------------|-----------------------|----------------------|------------------|----------------------|--------------------|
| Due to related organizations | \$ 109,364 | \$ 109,364 | \$ - | \$ - | \$ 109,364 |
| Line of credit | 733,319 | 733,319 | - | 733,319 | - |
| Capital leases payable | 104,557 | 104,557 | - | 104,557 | - |
| Mortgages payable, tax credits | 121,367 | 121,367 | - | - | 121,367 |
| Mortgages payable | 7,392,887 | 7,392,887 | - | 7,392,887 | - |
| Mortgages payable, deferred | <u>5,332,834</u> | <u>5,332,834</u> | <u>-</u> | <u>5,332,834</u> | <u>-</u> |
| Total liabilities | <u>\$ 13,794,328</u> | <u>\$ 13,794,328</u> | <u>\$ -</u> | <u>\$ 13,563,597</u> | <u>\$ 230,731</u> |

Fair Value Measurements
Using Significant Unobservable Inputs
Level 3

| | <u>Due from related organizations</u> | <u>Beneficial Interest</u> | <u>Due to related organizations</u> | <u>Mortgages Payable, Tax Credits</u> |
|-----------------------------|---------------------------------------|----------------------------|-------------------------------------|---------------------------------------|
| Beginning balance June 2014 | \$ 377,024 | \$ 148,204 | \$ 160,868 | \$ 142,410 |
| Advances | 380,480 | 1,299 | 227,119 | - |
| Reductions | <u>(347,866)</u> | <u>-</u> | <u>(278,623)</u> | <u>(21,043)</u> |
| Ending balance June 2015 | <u>\$ 409,638</u> | <u>\$ 149,503</u> | <u>\$ 109,364</u> | <u>\$ 121,367</u> |

23. 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 anti-

pated. 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:

| | 2015 | | | 2014 | |
|-------------------------|---------------|------------------------|----------------------------|-----------------------------|-----------------------------|
| | Gross Charges | Contractual Allowances | Charitable Care Allowances | Net Patient Service Revenue | Net Patient Service Revenue |
| Medicaid | \$ 1,085,578 | \$ (409,541) | \$ - | \$ 676,037 | \$ 127,975 |
| Medicare | 175,719 | (29,815) | - | 145,904 | 40,191 |
| Third-party | 346,960 | (225,953) | - | 121,007 | 37,144 |
| Sliding fee/free care | 162,567 | - | (148,638) | 13,929 | 41,922 |
| Self-pay | 123,384 | - | - | 123,384 | 147,126 |
| Subtotal | 1,894,208 | (665,309) | (148,638) | 1,080,261 | 394,358 |
| Provision for bad debts | | | | (187,064) | (166,783) |
| Total | | | | \$ 893,197 | \$ 227,575 |

24. Rent Expense:

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately \$3.8m 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.

25. 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.

26. Subsequent Events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2015 through December 10, 2015, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

HARBOR HOMES, INC. AND AFFILIATES BOARD OF DIRECTORS

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

David Aponovich - [REDACTED]

Treasurer

- (Chair, Finance Committee)
- (Facilities Committee)
- (Executive Committee)

Joel Jaffe - [REDACTED]

Asst. Secretary

- (Chair, Executive Committee)

Vincent Chamberlain - [REDACTED]

Chair of the Board

Lynn King - [REDACTED]

Vice Chair

- (Chair, RDP Committee)

Laurie Des Rochers - [REDACTED]

- (Facilities Committee)

Melissa Knight - [REDACTED]

- (HCC Oversight Committee)

Phil Duhaime - [REDACTED]

- (Governance Committee)
- (Executive Committee)

Naomi Moody - [REDACTED]

- (no committee assignment)

Laurie Goguen - [REDACTED]

Secretary

- (Chair, Governance Committee)
- (HCC Oversight Committee)
- (Executive Committee)

Rick Plante - [REDACTED]

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

Nathan Goodwin - [REDACTED]

- (Governance Committee)
- (RDP Committee)

Phil Richard - [REDACTED]

- (Facilities Committee)
- (Governance Committee)

Alphonse Haettenschwiler - [REDACTED]

- (Finance Committee)
- (Chair, HCC Oversight Committee)

Dan Sallet - [REDACTED]

- (Finance Committee)

Subject: PRSS Facilitating Organization Services

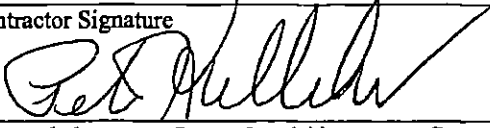
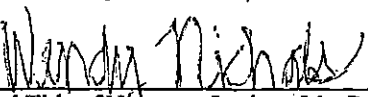
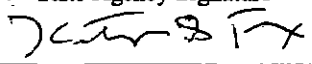
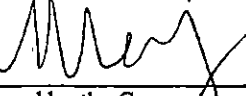
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

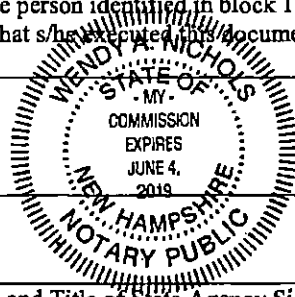
AGREEMENT

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 | | 1.2 State Agency Address 129 Pleasant Street 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 05-095-491510-29890000-102-49158501 05-095-491510-29900000-102-49156501 | 1.7 Completion Date June 30, 2017 | 1.8 Price Limitation. \$1,500,000 |
| 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 and CEO | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>5/6/16</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 Wendy Nichols, Notary | | | |
| 1.14 State Agency Signature  Date: <u>5/11/16</u> | | 1.15 Name and Title of State Agency Signatory Director, NH D&HS | |
| 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) (if applicable) By:  Megan A. York - Attorney On: <u>5/12/16</u> | | | |
| 1.18 Approval by the Governor and Executive Council (if applicable) 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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

Contractor Initials

Date 5/6/16

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form 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.


5/16/16

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 thirty (30) 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 certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

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. The Contractor will 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.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. For the purposes of this contract, any reference to days shall mean consecutive calendar days, unless otherwise denoted as business days.
- 1.4. For the purposes of this contract, any reference to business days shall mean Monday through Friday, excluding State Employee holidays.
- 1.5. The selected Vendor must conduct an assessment of Recovery Community Organizations (RCOs) to determine the level of readiness for each RCO to become accredited according to the standards set forth by the Council on Accreditation of Peer Recovery Support Services (CAPRSS).
- 1.6. The selected Vendor must collaborate with the Council on Accreditation of Peer Recovery Support Services (CAPRSS) to provide each RCO with assistance to meet accreditation standards set forth by the CAPRSS.
- 1.7. The selected Vendor must collaborate with other PRSS technical assistance assets to assess the capacity of each RCO relative to the core and optional standards defined by the Council of Accreditation of Peer Recovery Support Services (CAPRSS).
- 1.8. The selected Vendor must work with the Department and RCOs to determine culturally appropriate process and outcome data collection and analysis.
- 1.9. The selected vendor must provide program management and oversight as well as implement a quality improvement process.

2. Scope of Services

- 2.1. The Contractor shall complete an accreditation readiness scan of all known Recovery Community Organizations (RCOs), statewide. The Contractor shall:
 - 2.1.1. Determine each RCO's ability to achieve Council of Accreditation of Peer Recovery Support Services (CAPRSS) accreditation.
 - 2.1.2. Determine each RCO's ability to open a Recovery Center.
 - 2.1.3. Determine each RCO's capacity to provide Peer Recovery Support Services.



- 2.1.4. Determine each RCO's commitment to becoming a Medicaid provider, upon approval from the Center for Medicaid and Medicare Services (CMS) of the establishment of a 'Recovery Community Organization' provider type under the New Hampshire Medicaid program.
- 2.1.5. Provide a written determination of RCO readiness to the Department within 5 business days of completing the final RCO readiness scan.
- 2.2. The Contractor shall enter into contract with a minimum of five (5) Recovery Community Organizations (RCOs) in five (5) different Public Health Regions (See Appendix D – Regional Public Health Networks), as approved by the Department, in order to increase capacity for Peer Recovery Support Services (PRSS) within each of the selected five (5) Recovery Community Organizations. The Contractor shall:
 - 2.2.1. Ensure each Recovery Community Organization (RCO) represents a different Public Health Region (See Appendix D – Regional Public Health Network).
 - 2.2.2. Provide a copy of each executed RCO contract to the Department within five (5) days of contract execution.
- 2.3. The Contractor shall collaborate with Peer Recovery Support Services (PRSS) technical assistance assets, including, but not limited to, CAPRSS, to assess each RCO for accreditation readiness in accordance with the standards set forth by the Council of Accreditation of Peer Recovery Support Services (CAPRSS). The Contractor shall:
 - 2.3.1. Complete a written assessment of each RCO that indicates the RCO's capacity to provide PRSS services and current operational standards.
 - 2.3.2. Develop a written plan with each RCO that includes, but is not limited to:
 - 2.3.2.1. Timeframes to meeting CAPRSS accreditation standards.
 - 2.3.2.2. Goals that must be attained by each RCO in order to meet CAPRSS accreditation standards.
 - 2.3.2.3. Technical assistance needed for each RCO in order to meet CAPRSS goals, time frame and technical assistance accreditation requirements.
 - 2.3.3. Ensure training and technical assistance identified in Section 2.3.2.3 is provided to each RCO, as needed.
- 2.4. The Contractor shall collaborate with the Council on Accreditation of Peer Recovery Support Services (CAPRSS) to provide assistance to each RCO to ensure each of the five (5) RCOs meet accreditation standards set forth by CAPRSS. The Contractor shall ensure assistance includes, but is not limited to:
 - 2.4.1. Personnel with the expertise necessary to deliver high quality training.
 - 2.4.2. Technical assistance, as needed.
 - 2.4.3. Organizational coaching.



- 2.4.4. Capacity development consultation.
- 2.4.5. Administrative support functions, as needed.
- 2.5. The Contractor shall collaborate with the Center for Excellence to develop and provide training as well as technical assistance to RCOs in order to:
 - 2.5.1. Assist RCOs to attain accreditation.
 - 2.5.2. Provide technical assistance to RCOs to enroll in Medicaid upon the establishment of a "Peer Recovery Program" provider type by the New Hampshire Medicaid Program based on Federal Center for Medicaid and Medicare Services (CMS) and other Federal and State requirements, which include:
 - 2.5.2.1. 42 CFR, Subpart B (<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=2a147022bd0e989f2eff02f0ba401830&mc=true&n=pt42.4.455&r=PART&ty=HTML#sp42.4.455.b>).
 - 2.5.2.2. 42 CFR, Subpart E (<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=2a147022bd0e989f2eff02f0ba401830&mc=true&n=sp42.4.455.e&r=SUBPART&ty=HTML>).
 - 2.5.2.3. 45 CFR, 164.512(d). (http://www.ecfr.gov/cgi-bin/text-idx?SID=07d0a507d28ee03b2b09dfd7a2be33d2&mc=true&node=se45.1.164_1512&rqn=div8)..
 - 2.5.3. Ensure personnel providing Peer Recovery Support services (PRSS) in RCOs are Certified Recovery Support Workers (CRSW) and meet the CAPRSS recovery coaching standards.
 - 2.5.4. Assist RCOs to expand capacity to include Peer Recovery Coaching and Telephone Recovery Support Services.
 - 2.5.5. Assist RCOs with expanding capacity to include back office support functions.
 - 2.5.6. Assist RCOs in establishing and a plan to sustain Recovery Center.
- 2.6. The Contractor shall utilize logistical support provided by the Center for Excellence to facilitate a Community of Practice that allows RCO administrators and leaders to establish and strengthen collegiality, cooperation, collaboration and informal mentoring among RCOs. The Contractor shall:
 - 2.6.1. Organize regular on-going RCO regional meetings with RCO administrators and leaders.
 - 2.6.2. Ensure meetings are widely advertised to all RCOs, statewide.
 - 2.6.3. Ensure that each subcontracted RCO engages in its local Regional Public Health Network (RPHN) to participate in continuum of care development work.
- 2.7. The Contractor shall assess the ability of each RCO to open and sustain a Recovery Center. The Contractor shall:



- 2.7.1. Complete a written assessment of each RCO that indicates each RCO's readiness to open and sustain a Recovery Center, that includes, but is not limited to:
 - 2.7.1.1. The current organizational structure of the RCO's Recovery Center or the RCO's readiness to open a Recovery Center, as appropriate.
 - 2.7.1.2. The number of people that can be served by the RCO's Recovery Center.
 - 2.7.1.3. The RCO's financial viability to support a Recovery Center.
- 2.7.2. Work with each RCO to develop a written plan to open a Recovery Center.
- 2.7.3. Ensure training and technical assistance is available to Recovery Center staff, which may include but is not limited to:
 - 2.7.3.1. Customer service training.
 - 2.7.3.2. Peer Recovery Coaching Services.
 - 2.7.3.3. Telephone Recovery Support Services.
- 2.7.4. Assist RCOs to secure funding from other public and private sources to ensure ongoing sustainability of services.
- 2.8. The Contractor shall assist RCOs with performing back office functions that may include, but are not limited to:
 - 2.8.1. Human resource functions.
 - 2.8.2. Financial functions such as accounting, bookkeeping and payroll.
 - 2.8.3. Billing functions.
- 2.9. The Contractor shall ensure billing services are available to each RCO until such time RCOs can perform billing functions on their own. Billing functions shall include, but are not limited to:
 - 2.9.1. Accepting RCO invoices for PRSS services provided to clients.
 - 2.9.2. Submitting invoices to the Department for client services that are provided by the RCO and covered by funds in this grant for reimbursement.
 - 2.9.3. Submitting PRSS client services covered by Medicaid to the appropriate managed care organization (MCO).
 - 2.9.4. Disbursing payments received from MCOs to the appropriate RCO.
 - 2.9.5. Accepting RCO invoices for operational costs.
 - 2.9.6. Paying RCOs for operational costs on a cost reimbursement basis.
 - 2.9.7. Submitting RCO operational cost invoices to the Department for reimbursement.
- 2.10. The Contractor shall collaborate with the NH Center for Excellence to:



- 2.10.1. Identify data evaluation criteria.
- 2.10.2. Implement an evaluation process in each RCO.
- 2.11. The Contractor shall ensure technical assistance is available to each RCO in order to collect, analyze and utilize data, for the evaluation process in Section 2.10.2., which shall include but is not limited to:
 - 2.11.1. Demographics, which include but are not limited to:
 - 2.11.1.1. Gender
 - 2.11.1.2. Age
 - 2.11.1.3. Ethnicity
 - 2.11.2. Primary drug of choice
 - 2.11.3. SAMHSA National Outcome Measures (http://www.dasis.samhsa.gov/dasis2/noms/noms_attch1.pdf), which include:
 - 2.11.3.1. Abstinence
 - 2.11.3.2. Crime and Criminal Justice
 - 2.11.3.3. Employment/Education
 - 2.11.3.4. Stability in Housing
 - 2.11.3.5. Social Connectedness
 - 2.11.4. Referral Source
 - 2.11.5. Client Financial Information
 - 2.11.6. Healthcare Coverage Information
 - 2.11.7. Substance Use Disorder treatment history
 - 2.11.8. Substance Use Disorder or Co-occurring Disorder recovery needs
 - 2.11.9. Participation in Community Services
 - 2.11.10. Recovery capital
- 2.12. The Contractor will work with the Department to identify the next cohort of RCOs to prepare them for CAPRSS accreditation.

3. Reporting Requirements

- 3.1. Report on readiness for all considered RCO, that includes but is not limited to:
 - 3.1.1. Accreditation readiness.
 - 3.1.2. Recovery center capacity
 - 3.1.3. Capacity to provider PRSS
 - 3.1.4. Commitment to enrolling in Medicaid, upon approval from the Center for Medicaid and Medicare Services (CMS) of the establishment of a 'Recovery Community Organization' provider type under the New Hampshire Medicaid program.



Exhibit A

- 3.2. The Contractor shall provide quarterly reports that include but are not limited to:
 - 3.2.1. Progress on each RCO's work plan components.
 - 3.2.2. Information on RCO trainings conducted, including but not limited to, type of training provided and number of attendees.
 - 3.2.3. Information regarding RCO meetings that occurred, as described in Section 2.6, including but not limited to, venue, number of attendees and methods used to advertise meetings.
 - 3.2.4. Back office support provided, as described in Section 2.8.
- 3.3. The Contractor shall submit a final report to the Department that includes, but is not limited to:
 - 3.3.1. Information on each of the five (5) RCOs including the number of individuals served during the 3 months prior to subcontracting with the Contractor in comparison to the number of individuals served by the RCO from April 1, 2017 to June 30, 2017.
 - 3.3.2. How many and what type of trainings were provided over the term of the contract.
 - 3.3.3. The number of RCOs that are accredited by the CAPRSS.
 - 3.3.4. The number and location of each Recovery Center that opened as a result of contracted services.
 - 3.3.5. The type of PRSS services delivered by each RCO.
 - 3.3.6. Information regarding clients served, which shall include but not be limited to:
 - 3.3.6.1. Analysis of client data referenced in 2.11 by individual RCO.
 - 3.3.6.2. Analysis of aggregated client data
 - 3.3.7. Back Office functions performed for each RCOs, which may include but is not limited to:
 - 3.3.7.1. Human Resources.
 - 3.3.7.2. Financial.
 - 3.3.7.3. Client billing to other funding sources not in this contract.
 - 3.3.8. All contractor work that has started and any progress toward CAPRSS accreditation for the second cohort of RCOs identified to the Department.

4. Deliverables

- 4.1. The Contractor shall provide copies of the executed contracts described in Section 2.2, to the Department within five (5) business days of fully executing the documents.
- 4.2. The Contractor shall complete an assessment, as described in Section 2.3.1, for each of the RCOs – for a minimum of five (5) assessments, within ninety (90) days of the contract effective date.



Exhibit A

- 4.3. The Contractor shall provide a copy of each accreditation plan described in Section 2.3.2., within one hundred-twenty (120) days of the contract effective date.
- 4.4. The Contractor shall provide a written Recovery Center assessment, as described in Section 2.7, for each RCO, within one hundred-eighty (180) days of the contract effective date.
- 4.5. The Contractor shall provide the billing process and payment timeframes for providing the services in Section 2.8, within one hundred-twenty (120) days of the contract effective date.

5. Milestones and Activities

| Major Milestones and Activities | Person Responsible | Date of Completion, in days after contract effective date | Potential Barriers to Achievement | Plan to Overcome Barriers to Achievement |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Milestone 1: Report on the degree of readiness of each RCO in the State of NH (See Section 2.1). | Project Director | 60 Days | No major barriers anticipated, as this is primarily a self-managed FO task. One potential barrier is if the person selected to fill the Project Director role is not able to start on time. | Peter Kelleher (President and CEO) will oversee this first step of the project, working closely with CCAR. |
| Milestone 2: Initial assessment of each subcontracted RCO | Project Director and CCAR in collaboration with CAPRSS | 90 Days | Readiness/ability of RCO to enter into a subcontract agreement. | Contractor shall provide TA to facilitate the contract negotiations. |
| Milestone 3: Developing a written plan for accreditation | Project Director and CCAR in collaboration with CAPRSS | 120 Days | If any of the above milestones take longer than anticipated, this milestone may occur at a later | There is likely to be a minimum set of plan components applicable to all RCOs that can begin to |



| | | | | |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | date. | occur as a collective, prior to formal completion of the individual plans. |
| Milestone 4: Providing training and technical assistance to RCOs | CCAR, Harbor Homes, Welcoming Light, NH Center for Excellence and CAPRSS. TA provided by CAPRSS will be at no cost to Harbor Homes or the RCOs. | Within 90 days but upon Subcontract Effective Date (and during the subcontracting process, as needed) throughout the funding period. | The Contractor shall begin providing TA/training from the beginning of the procurement process. Specific training/TA required for accreditation may be delayed if any of the above milestones are delayed. Additionally, there may be accessibility issues that prevent some of the RCOs from attending trainings. | The Contractor shall utilize web-based and in-person individual and group trainings to ensure accessibility issues are eliminated. On-site (within the RCO) trainings/TA will also be provided. |
| Milestone 5: Initial assessment for Recovery Center readiness | Project Director and CCAR | Within 180 days, and ongoing thereafter in accordance with individual plans | | |
| Milestone 6: Training RCOs billing functions | Project Coordinator/Administrator and HHI Backend Staff | Within 120 Days and ongoing thereafter | NH's implementation plan of related Medicaid benefit | None – this is a barrier we have no control over. However, we will work with Bi State |

**New Hampshire Department of Health and Human Services
PRSS Facilitating Organization Services**



Exhibit A

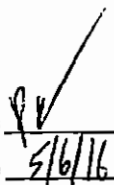
| | | | | |
|--------------------------------------------------------------|--------------------------------------------|---------------------------------------------------|------|-------------------------------------------------------------------------|
| | | | | Primary Care Association to provide public policy work related to this. |
| Milestone 7: Initial Meeting of RCO Community of Practice | Project Director, NH Center for Excellence | Within 60 Days (prior to the procurement process) | None | None |



Method and Conditions Precedent to Payment

1. This contract is funded with funds from the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment and Recovery as well as the Catalog of Federal Domestic Assistance (CFDA) #93.959, U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Substance Abuse Block Grant in providing services pursuant to Exhibit A, Scope of Services. The contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.
2. 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.
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.
4. Payment for services shall be made as follows:
 - 4.1. The Contractor must submit monthly invoices for reimbursement 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 sub-contractor, if applicable.
 - 4.3. Invoices and reports must be submitted to:

NH Department of Health and Human Services
Financial Manager
Bureau of Drug and Alcohol 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 of Exhibit B-1, and related items, can be made by written agreement of both parties and do not required additional approval of the Governor and Executive Council.

Handwritten initials "PH" with a checkmark above them, and the date "5/6/16" written below.

Budget Form

**New Hampshire Department of Health and Human Services
Exhibit B-1 (2016)**

Bidder/Program Name: Harbor Homes Inc.

Budget Request for: PRSS Facilitating Organization
(Name of RFP)

Budget Period: FY 2016

| Line Item | Direct Incremental | Indirect Funded | Total | Matched Funding | Allocation Method for Indirect Fund Cost |
|--------------------------------------------------|-----------------------|--------------------|--------------------|-----------------|---------------------------------------------|
| 1. Total Salary/Wages | \$ - | \$ - | \$ - | \$ - | |
| 2. Employee Benefits | \$ - | \$ - | \$ - | \$ - | |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | |
| 4. Equipment | \$ - | \$ - | \$ - | \$ - | |
| Rental | \$ - | \$ - | \$ - | \$ - | |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | |
| Purchase/Depreciation | \$ 6,000.00 | \$ - | \$ 6,000.00 | \$ - | |
| 5. Supplies: | \$ - | \$ - | \$ - | \$ - | |
| Educational | \$ - | \$ - | \$ - | \$ - | |
| Lab | \$ - | \$ - | \$ - | \$ - | |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | |
| Medical | \$ - | \$ - | \$ - | \$ - | |
| Office | \$ - | \$ - | \$ - | \$ - | |
| 6. Travel | \$ - | \$ - | \$ - | \$ - | |
| 7. Occupancy | \$ - | \$ - | \$ - | \$ - | |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | |
| Telephone | \$ - | \$ - | \$ - | \$ - | |
| Postage | \$ - | \$ - | \$ - | \$ - | |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - | |
| Insurance | \$ - | \$ - | \$ - | \$ - | |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | |
| 9. Software | \$ - | \$ - | \$ - | \$ - | |
| 10. Marketing/Communications | \$ - | \$ - | \$ - | \$ - | |
| 11. Staff Education and Training | \$ - | \$ - | \$ - | \$ - | |
| 12. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | |
| 13. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - | |
| Client Reimbursement Activities - subcontractors | \$ - | \$ - | \$ - | \$ - | |
| | \$ - | \$ - | \$ - | \$ - | |
| | \$ - | \$ - | \$ - | \$ - | |
| TOTAL | \$ 6,000.00 | \$ - | \$ 6,000.00 | \$ - | |

Indirect As A Percent of Direct

0.0%

NOTE: Minimum match funding per section 4.3 of RFP

Budget Form

**New Hampshire Department of Health and Human Services
Exhibit B-1 (2017)**

Bidder/Program Name: Harbor Homes Inc.

Budget Request for: PRSS Facilitating Organization
(Name of RFP)

Budget Period: FY 2017

| Line Item | Direct Incremental | Indirect Fixed | Total | Matched Funding | Allocation Method for Indirect/Fixed Cost |
|--------------------------------------------------|------------------------|-------------------|------------------------|-----------------|----------------------------------------------|
| 1. Total Salary/Wages | \$ 241,576.00 | \$ - | \$ 241,576.00 | \$ - | |
| 2. Employee Benefits | \$ 36,236.00 | \$ - | \$ 36,236.00 | \$ - | |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | |
| 4. Equipment: | \$ - | \$ - | \$ - | \$ - | |
| Rental | \$ - | \$ - | \$ - | \$ - | |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | |
| Purchase/Depreciation | \$ - | \$ - | \$ - | \$ - | |
| 5. Supplies: | \$ - | \$ - | \$ - | \$ - | |
| Educational | \$ - | \$ - | \$ - | \$ - | |
| Lab | \$ - | \$ - | \$ - | \$ - | |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | |
| Medical | \$ - | \$ - | \$ - | \$ - | |
| Office | \$ - | \$ - | \$ - | \$ - | |
| 6. Travel | \$ 5,188.00 | \$ - | \$ 5,188.00 | \$ - | |
| 7. Occupancy | \$ - | \$ - | \$ - | \$ - | |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | |
| Telephone | \$ - | \$ - | \$ - | \$ - | |
| Postage | \$ - | \$ - | \$ - | \$ - | |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | |
| Audit and Legal | \$ 5,000.00 | \$ - | \$ 5,000.00 | \$ - | |
| Insurance | \$ - | \$ - | \$ - | \$ - | |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | |
| 9. Software | \$ 1,500.00 | \$ - | \$ 1,500.00 | \$ - | |
| 10. Marketing/Communications | \$ - | \$ - | \$ - | \$ - | |
| 11. Staff Education and Training | \$ 67,000.00 | \$ - | \$ 67,000.00 | \$ - | |
| 12. Subcontracts/Agreements | \$ 937,500.00 | \$ - | \$ 937,500.00 | \$ - | |
| 13. Other (specific details mandatory): | \$ - | \$ - | \$ - | \$ - | |
| Client Reimbursement Activities - subcontractors | \$ 150,000.00 | \$ - | \$ 150,000.00 | \$ - | |
| Subcontractors Accreditation fees | \$ 50,000.00 | \$ - | \$ 50,000.00 | \$ - | |
| | \$ - | \$ - | \$ - | \$ - | |
| TOTAL | \$ 1,494,000.00 | \$ - | \$ 1,494,000.00 | \$ - | |

Indirect As A Percent of Direct

0.0%

FY 2016 \$ 6,000.00
FY 2017 \$ 1,500,000.00

NOTE: Minimum match funding per section 4.3 of RFP



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

Exhibit C - Special Provisions

Contractor Initials PK

New Hampshire Department of Health and Human Services
Exhibit C



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

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

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

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908:

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
- When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis

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.

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 contract for up to four (4) additional years, subject to the 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

[Signature]
5/6/16

New Hampshire Department of Health and Human Services
Exhibit D

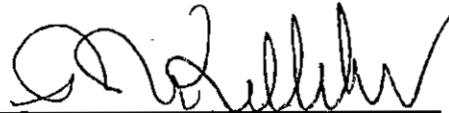
has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- 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.

Contractor Name: Harbor Homes, Inc.



Name: Peter Kelleher
Title: President and CEO

5/6/16

Date



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

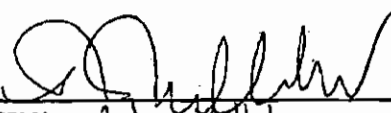
The undersigned certifies, to the best of his or her knowledge and belief, that:

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

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

Contractor Name: Herbs Horns, Inc.

5/6/16
Date


Name: Peter Kallike
Title: President and 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 Order of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

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

New Hampshire Department of Health and Human Services
Exhibit F

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

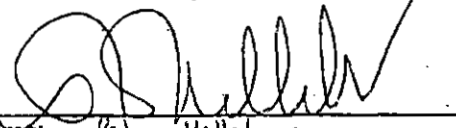
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

5/6/16
Date

Contractor Name: Harbor Homes, Inc.


Name: Peter Kelleher
Title: President and CEO

Contractor Initials PW
Date 5/6/15



**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

RW

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

Date

5/6/16

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.

Name: Peter Kelleher
Title: President and CEO

5/6/16
Date

Exhibit G

Contractor Initials PK

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

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.

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5/6/16
Date

Contractor Name: Harbor Homes, Inc.

Name: Peter Kelleher
Title: President and 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 5/6/16