

# **Harbor Homes, Inc. and Affiliates d/b/a Harbor Care**

**Audited Consolidated Financial Statements  
and Supplementary Information**

*Year Ended June 30, 2021  
With Independent Auditors' Report*

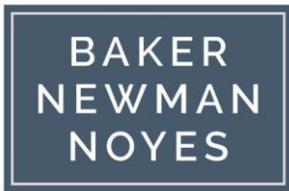
**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2021

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Harbor Homes, Inc. and Affiliates d/b/a Harbor Care

We have audited the accompanying consolidated financial statements of Harbor Homes, Inc. and Affiliates d/b/a Harbor Care (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

To the Board of Directors  
Harbor Homes, Inc. and Affiliates d/b/a Harbor Care

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 2 to the consolidated financial statements, the Organization has restated previously issued financial statements for accounting corrections.

***Other Matter—Report on Supplementary Information***

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

*Baku Newman & Noyes LLC*

Manchester, New Hampshire  
November 10, 2021

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 5,024,232	\$250,223	\$ 5,274,455
Restricted cash	756,358	–	756,358
Other accounts receivable, net	2,840,330	–	2,840,330
Patient receivables (FQHC)	293,114	–	293,114
Due from related organizations	47,318	–	47,318
Inventory	84,719	–	84,719
Other assets	<u>17,788</u>	<u>–</u>	<u>17,788</u>
Total current assets	9,063,859	250,223	9,314,082
Property and equipment, net	26,199,392	–	26,199,392
Other assets:			
Investments	88,306	–	88,306
Beneficial interest in assets held by others	–	235,208	235,208
Other assets	<u>181,513</u>	<u>–</u>	<u>181,513</u>
Total noncurrent assets	269,819	235,208	505,027
Total assets	<u>\$35,533,070</u>	<u>\$485,431</u>	<u>\$36,018,501</u>

LIABILITIES AND NET ASSETS

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Current liabilities:			
Lines of credit	\$ 225,120	\$ –	\$ 225,120
Current portion of notes payable	655,636	–	655,636
Current portion of loan payable	3,338	–	3,338
Accounts payable	893,578	–	893,578
Accrued payroll, vacation and related expenses	1,051,815	–	1,051,815
Other liabilities	<u>310,204</u>	<u>–</u>	<u>310,204</u>
Total current liabilities	3,139,691	–	3,139,691
Long-term liabilities:			
Accrued payroll, vacation and related expenses	534,058	–	534,058
Notes payable, net of current portion	14,012,878	–	14,012,878
Notes payable, tax credits	455,463	–	455,463
Notes payable, deferred	7,568,496	–	7,568,496
Loan payable, net of current portion	146,562	–	146,562
Other liabilities	<u>443,181</u>	<u>–</u>	<u>443,181</u>
Total long-term liabilities	<u>23,160,638</u>	<u>–</u>	<u>23,160,638</u>
Total liabilities	26,300,329	–	26,300,329
Net assets:			
Without donor restrictions:			
Undesignated	9,232,741	–	9,232,741
With donor restrictions	<u>–</u>	<u>485,431</u>	<u>485,431</u>
Total net assets	<u>9,232,741</u>	<u>485,431</u>	<u>9,718,172</u>
Total liabilities and net assets	<u>\$35,533,070</u>	<u>\$485,431</u>	<u>\$36,018,501</u>

See accompanying notes.

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

CONSOLIDATED STATEMENT OF ACTIVITIES  
AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
Support:			
Grants:			
Federal	\$10,263,203	\$ –	\$10,263,203
State	8,012,492	–	8,012,492
Contributions	1,120,052	518,862	1,638,914
CARES Act funding	1,184,588	–	1,184,588
Special events, net	24,718	–	24,718
Net assets released from restrictions – operations	<u>55,135</u>	<u>(55,135)</u>	<u>–</u>
Total support	20,660,188	463,727	21,123,915
Revenues:			
Patient service revenues (FQHC)	5,794,398	–	5,794,398
Patient service revenues (other)	5,886,925	–	5,886,925
Veterans Administration programs	3,135,408	–	3,135,408
Rental income:			
Resident payments	978,834	–	978,834
Other	326,166	–	326,166
Developer fees	16,003	–	16,003
Contracted services	901,680	–	901,680
Management fees	53,508	–	53,508
Other income	<u>100,609</u>	<u>–</u>	<u>100,609</u>
Total revenues	<u>17,193,531</u>	<u>–</u>	<u>17,193,531</u>
Total support and revenues	37,853,719	463,727	38,317,446
Operating expenses:			
Program services	30,963,416	–	30,963,416
Management and general	5,413,000	–	5,413,000
Fundraising and development	<u>289,276</u>	<u>–</u>	<u>289,276</u>
Total operating expenses before depreciation	36,665,692	–	36,665,692
Depreciation expense	<u>1,491,813</u>	<u>–</u>	<u>1,491,813</u>
Total operating expenses	<u>38,157,505</u>	<u>–</u>	<u>38,157,505</u>
(Loss) income from operations	(303,786)	463,727	159,941

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE****CONSOLIDATED STATEMENT OF ACTIVITIES  
AND CHANGES IN NET ASSETS (CONTINUED)**

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Nonoperating revenue:			
Investment return, net	\$ <u>34,286</u>	\$ <u>59,696</u>	\$ <u>93,982</u>
Total nonoperating revenue	<u>34,286</u>	<u>59,696</u>	<u>93,982</u>
(Deficiency) excess of revenues over expenses	(269,500)	523,423	253,923
Net assets released from restrictions – capital acquisitions	<u>271,571</u>	<u>(271,571)</u>	<u>—</u>
Change in net assets	2,071	251,852	253,923
Net assets, beginning of year (as restated, see note 2)	<u>9,230,670</u>	<u>233,579</u>	<u>9,464,249</u>
Net assets, end of year	\$ <u>9,232,741</u>	\$ <u>485,431</u>	\$ <u>9,718,172</u>

See accompanying notes.

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Personnel expenses:				
Salaries and wages	\$13,544,475	\$ 3,335,365	\$197,893	\$17,077,733
Payroll taxes	1,024,439	259,447	14,601	1,298,487
Employee benefits	2,089,719	678,579	29,364	2,797,662
Contract/professional services	859,526	196,273	4,295	1,060,094
Supplies:				
Office	127,591	45,563	1,944	175,098
Medical/dental	213,355	786	6	214,147
Building and household	117,856	3,917	42	121,815
Client services:				
Rental assistance	3,368,568	-	-	3,368,568
Rental application fee	811	-	-	811
Security deposit assistance	105,219	-	-	105,219
Utility rebate	63,488	-	-	63,488
Emergency housing	517,761	-	-	517,761
Treatment and supportive services	20,839	-	-	20,839
Training and employment assistance	12,155	-	-	12,155
Supportive services assistance	373,788	-	-	373,788
Activities, supplies and other assistance	54,003	-	-	54,003
Food, meals and nutritional assistance	201,099	-	-	201,099
Rent: office space	52,614	-	-	52,614
Condo association fees	17,343	-	-	17,343
Building:				
Maintenance and repairs	517,842	27,856	299	545,997
Utilities	521,975	33,884	363	556,222
Interest:				
Mortgage	655,395	99,677	888	755,960
Other	2,055	23,892	-	25,947
Conference and conventions	8,181	760	-	8,941
Professional services	43,596	25,000	-	68,596
Accounting and audit services	18,019	126,610	-	144,629
Legal fees	18,667	60,115	-	78,782
Insurance:				
Property and liability	77,543	17,591	47	95,181
Professional	39,661	390	-	40,051
Other	-	71,900	-	71,900
Vehicle and transportation expenses	75,638	-	-	75,638
Staff:				
Transportation	57,295	2,382	257	59,934
Education and training	98,318	41,396	79	139,793
Hiring and recruiting	63,929	7,376	295	71,600
Uniforms	1,529	-	-	1,529

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**

For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Operations:				
Communication	\$ 163,472	\$ 44,935	\$ 1,157	\$ 209,564
Cable	11,818	217	2	12,037
Postage	14,019	21,752	1,213	36,984
Membership and subscriptions	48,315	24,440	5,138	77,893
Equipment lease and maintenance	56,460	8,523	551	65,534
Software licenses, maintenance and fees	680,860	214,425	275	895,560
Subrecipient and subcontracts	4,022,258	-	-	4,022,258
Property taxes	52,464	1,003	-	53,467
Direct program marketing and advertising	15,041	224	2,148	17,413
Marketing	1,918	6,338	11,878	20,134
Fundraising publications	-	773	13,098	13,871
Service charges and fees	11,639	28,797	3,443	43,879
Fines and penalties	694	699	-	1,393
Staff and board expenses	2,767	112	-	2,879
Loss on disposal of fixed assets	-	2,003	-	2,003
Cost of goods sold	<u>917,399</u>	<u>-</u>	<u>-</u>	<u>917,399</u>
Total functional expenses				
before depreciation expense	30,963,416	5,413,000	289,276	36,665,692
Depreciation expense	<u>1,442,652</u>	<u>48,824</u>	<u>337</u>	<u>1,491,813</u>
Total functional expenses	<u>\$32,406,068</u>	<u>\$ 5,461,824</u>	<u>\$289,613</u>	<u>\$38,157,505</u>

See accompanying notes.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2021

Cash flows from operating activities:	
Change in net assets	\$ 253,923
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Restricted contributions	(518,862)
Depreciation	1,491,813
Amortization of notes payable issuance costs	2,854
Amortization of tax credit liability	(72,090)
Unrealized gain on investments	(37,659)
Change in beneficial interest in assets held by others	(59,696)
Loss on disposal of fixed assets	2,003
Changes in operating assets and liabilities:	
Other accounts receivables, net	362,817
Patient accounts receivables	129,617
Due from related organizations	(25,944)
Inventory	39,562
Other assets	60,406
Accounts payable	(270,100)
Accrued payroll, vacation and related expenses	134,989
Other liabilities	(7,196)
Refundable advance	<u>(1,265,459)</u>
Net cash provided by operating activities	220,978
Cash flows from investing activities:	
Purchase of property and equipment	<u>(366,151)</u>
Net cash used by investing activities	(366,151)
Cash flows from financing activities:	
Net payments on line of credit	(396,652)
Proceeds from tax credits	40,000
Payments on notes and loans payable	(568,659)
Restricted contributions	<u>518,862</u>
Net cash used by financing activities	<u>(406,449)</u>
Net change in cash, cash equivalents and restricted cash	(551,622)
Cash, cash equivalents and restricted cash, beginning of year	<u>6,582,435</u>
Cash, cash equivalents and restricted cash, end of year	\$ <u>6,030,813</u>
Reconciliation of the statement of cash flow to the statement of financial position:	
Cash and cash equivalents	\$ 5,274,455
Restricted cash	<u>756,358</u>
Total cash, cash equivalents and restricted cash	\$ <u>6,030,813</u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for interest	\$ <u>780,724</u>
Property acquired through the issuance of a notes payable	\$ <u>551,000</u>

See accompany notes.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies

Harbor Homes, Inc. (d/b/a Harbor Care) (Harbor Homes) is the largest entity included in a collaboration of independent nonprofit organizations, sharing a common volunteer Board of Directors, President/CEO, and management team, that creates an innovative network to help New Hampshire families and individuals solve many of life's most challenging issues. Known collectively as "Harbor Care", the collaboration is an efficient and innovative approach to providing services to New Hampshire community members each year. This holistic approach recognizes that individuality, dignity, good health and wellness, self-respect, and a safe place to live are key to a person's ability to contribute to society.

While each nonprofit organization in the collaboration is a separate legal entity with its own 501(c)(3) public charity status, mission, budget, and staff, they share administrative resources whenever it is efficient to do so, and collaborate on service delivery when it leads to better client outcomes.

Most importantly, by sharing resources and working as one, the collaboration is able to coordinate and better deliver a comprehensive array of interventions designed to empower individuals and families and ultimately build a stronger community. Outcomes are enhanced through this model.

The members of the collaboration, and organizations included in these consolidated financial statements, include the following entities:

- *Harbor Homes* consists of Harbor Homes, Inc. and Harbor Homes Plymouth, LLC (HH Plymouth). Today known as "Harbor Care", Harbor Homes provides housing, health care, behavioral health care and services that address social determinants of health to individuals and families who are experiencing or at risk of homelessness. With specialized programs for veterans, people with chronic behavioral health disorders and other disabilities, and other vulnerable populations, the agency serves approximately 5,000 individuals each year in its housing and/or Federally Qualified Health Center (FQHC) programming. Outcomes include leading Greater Nashua's achievement of an effective end to veteran homelessness, effectively ending homelessness among those living with HIV/AIDS in Nashua, and substantially reducing chronic homelessness in the Greater Nashua region to the lowest level since data was first tracked more than a decade ago.

*HH Plymouth* is a single-member New Hampshire Limited Liability Company that supported the development of Boulder Point, LLC (Boulder Point), a veterans housing project in Plymouth, NH. HH Plymouth is a 0.01% investor member for Boulder Point and it is managed by Harbor Homes, Inc. The entity does not directly serve clients.

*Harbor Homes I, Inc.* (HUD 1) and *Harbor Homes VI, Inc.* (HUD VI) – These two nonprofits provide residential services to low-income individuals experiencing chronic behavioral issues or disability.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

- *Welcoming Light, Inc.* (WLI), *Harbor Homes II, Inc.* (HH II), *Harbor Homes III, Inc.* (HH III) and *HH Ownership, Inc.* (HHO) – These four nonprofits provide residential services to the elderly and/or low-income individuals experiencing chronic behavioral issues or disability, and were created as separate entities by Harbor Homes, Inc.'s Board of Directors in response to federal regulations.
- *Greater Nashua Council on Alcoholism d/b/a Keystone Hall* (GNCA) is Greater Nashua's only comprehensive substance use disorder treatment center. Every year, it catalyzes change in hundreds of individuals, including those experiencing homelessness, those without adequate insurance, and pregnant and parenting women. No one is denied treatment due to an inability to pay. While in residential treatment, clients have all basic needs met, including food, transportation, clothing, and integrated healthcare through Harbor Care. Substance use disorder treatment services are evidence-based, gender-specific, and culturally competent, and include residential (with a specific program for pregnant and parenting women and their children), outpatient, intensive outpatient, and drug court services. During fiscal year 2021, the programs and employees of GNCA were transitioned to Harbor Homes.
- *Healthy at Home, Inc.* (HAH) provides in-home health care services and is a Medicare-certified home health agency. HAH helps clients address physical and behavioral health challenges to live full, happy lives at home by providing consistent, compassionate care and daily-living assistance. Ultimately, services keep clients in their own homes, and out of hospitals, institutions, or nursing homes. Staff provide skilled nursing, physical therapy, occupational therapy, homemaking services, respite care, and Alzheimer's care and dementia care.
- *SARC (Salem Association for Retarded Citizens) Housing Needs Board, Inc.* (SARC) operates a permanent supportive housing facility (Woodview Commons) in Salem, New Hampshire and provides affordable, income based housing for individuals with disabilities. SARC serves eight individuals annually.
- *Southern New Hampshire HIV/Aids Task Force, Inc. (the Task Force)* provides HIV/AIDS services and is a leader in HIV/AIDS services in New Hampshire that provides quality, holistic services to those with HIV/AIDS. All 200 plus clients are low-income, and they may face homelessness, mental illness, and substance use disorder. Outcomes are exemplary. Whereas viral suppression rate among individuals with HIV/AIDS is 45% nationally, more than 90% of the Task Force's clients are routinely virally suppressed. In partnership with its Harbor Care affiliates, the Task Force ensures that no individual with HIV or AIDS lives in homelessness in Greater Nashua or Keene. The Task Force is the State of New Hampshire's sole contractor among AIDS Service Organizations for supportive services, subcontracting to other New Hampshire AIDS Service Organizations statewide. During fiscal year 2021, the programs and employees of the Task Force were transitioned to Harbor Homes.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

#### Basis of Accounting and Principles of Consolidation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. The consolidated financial statements include the accounts of Harbor Homes, HH Plymouth, HUD I, HUD VI, WLI, HH II, HH III, HHO, GNCA, HAH, SARC and the Task Force, collectively referred to as the Organization. All significant intercompany transactions and accounts have been eliminated in consolidation.

#### Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### 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. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk on these accounts.

#### Restricted Cash

Restricted cash consists primarily of cash received by the Organization for tenant deposits and certain reserves as required by the United States Department of Housing and Urban Development (HUD) and New Hampshire Housing Finance Authority (NHHFA). The Organization maintains its restricted cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced losses in such accounts and believes it is not exposed to any significant risks on these accounts.

#### Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectible 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 uncollectible. Accounts receivable are reflected within the accompanying consolidated statement of financial position within other accounts receivable. The allowance for uncollectible accounts receivable was not significant at June 30, 2021.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

#### Contributions Receivable

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. The allowance for uncollectible contributions is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions are written off when deemed uncollectible. Management has determined that no allowance is necessary. Contributions receivable are reflected within the accompanying consolidated statement of financial position within other accounts receivable.

#### Grants Receivable

Grants receivable, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Amounts recorded as grants receivable represent cost-reimbursable federal and state contracts and grants, for which the incurrence of allowable qualifying expenses and/or the performance of certain requirements have been met or performed. The allowance for uncollectible grants receivable is based on historical experience and a review of subsequent collections. Management has determined that no allowance is necessary. Grants receivable are reflected within the accompanying consolidated statement of financial position within other accounts receivable.

#### Patient Receivables

Patient receivables relate to health care services provided by the Organization's FQHC and other billable services. For patient accounts receivable, when an unconditional right to payment exists, subject only to the passage of time, the right is treated as a receivable. Patient accounts receivable for which the unconditional right to payment exists are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. The estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable and relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical writeoffs and expected net collections, business and economic conditions, and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections as a primary source of information in estimating the collectability of its accounts receivable. Management believes its regular updates to the implicit price concession amounts provide reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

#### Inventory

Inventory is comprised primarily of pharmacy items, and is stated at the lower of cost or net realizable value determined by the first-in, first-out method. No allowance has been provided as management believes none of the inventory is obsolete.

#### Investments

Investments are carried at fair value in the accompanying consolidated statement of financial position. See Note 6 for fair value measurement disclosures for investments. The Organization classifies its investments as trading securities. Net investment return (including realized and unrealized gains and losses on investments, interest and dividends) is reported as nonoperating revenues.

The Organization is the beneficiary of a certain trust held and administered by others. The interest in the trust is recorded at fair value and such amount is included in net assets with donor restrictions, with any resulting gains or losses reported as donor restricted investment income.

#### Property and Equipment

Property and equipment additions over \$10,000 for Harbor Homes and GNCA and \$5,000 for all other entities are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the consolidated statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in fiscal year 2021.

#### Notes Payable Issuance Costs

Costs associated with the issuance of notes payable are initially capitalized and amortized to interest expense over the respective life of the related obligation. The unamortized portion of debt issuance costs is presented as a component of long-term notes payable.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

#### Net Assets

In accordance with GAAP, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization records restricted contributions whose restrictions are met in the same reporting period within net assets without donor restrictions. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as either net assets released from restrictions for operations (for noncapital-related items) or net assets released from restrictions for capital-related items.

#### Revenue and Revenue Recognition

Support: The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue (within other liabilities) in the consolidated statement of financial position.

Revenue: The performance obligation of delivering patient services is simultaneously received and consumed by patients when services are provided, therefore the Organization recognizes patient service revenues when the services are provided. Patient service revenues are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient 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 not reported as revenue.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

The contractual relationships with patients, in most cases, also involve a third-party payor (Medicaid, Medicare, and commercial insurance companies) and the transaction prices for the services provided are dependent upon the terms provided by Medicaid, Medicare, and commercial insurance companies, the third-party payors. The payment arrangements with third-party payors for the services provided to related patients typically specify payments at amounts less than standard charges. The Organization receives reimbursement from Medicare, Medicaid and insurance companies at defined rates for services to clients covered by such third-party payor programs. Management continually reviews the revenue recognition process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals.

Settlements with third-party payors are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known.

The Organization recognizes revenue from Veterans Administration programs based on units of service as services are provided. Revenue related to rental income, including rental vouchers, resident payments, and other related costs, is recognized when the performance obligation of providing the space and related costs is satisfied. Revenues derived from providing contracted services are recognized as the services are provided to the recipients. All revenue paid in advance is deferred to the period to which it relates or when the underlying event or rental takes place.

#### Donated Services

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, no amounts have been reflected in the accompanying consolidated financial statements for such donated services, as no objective basis is available to measure the value.

#### Advertising Costs

Advertising costs are expensed as incurred and totaled \$20,134 for the year ended June 30, 2021.

#### Retirement Benefits

The Organization maintains a safe harbor contributory defined contribution retirement plan which covers substantially all employees of Harbor Homes. Eligible employees may contribute up to maximum limitations (set annually by the Internal Revenue Service) of their annual salary. After six months of employment, the employee's contributions are matched by Harbor Homes. The employer match was \$585,822 for the year ended June 30, 2021.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

The Organization has other deferred compensation agreements with certain executives and highly compensated employees. The amounts ultimately due to the employees are to be paid upon the employees attaining certain criteria, including age. At June 30, 2021, the plans have assets and liabilities that are consolidated, but not significant to these consolidated financial statements. Total plan expense was insignificant for the year.

#### Employee Fringe Benefits

The Organization has an "earned time" plan. Under this plan, each employee "earns" paid leave for each period worked. These hours of paid leave may be used for vacations, holidays and sick time. Hours earned but not used are vested with the employee and only vacation hours incurred are paid to the employee upon termination. The Organization accrues a liability for such paid leave as it is earned.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated 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.

#### Performance Indicator

Excess of revenues over expenses is comprised of operating revenues and expenses and nonoperating revenues and expenses. For purposes of display, transactions deemed by management to be ongoing, major or central to the Organization's programs and services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating revenues or expenses, which includes net investment return.

#### Income Taxes

The Organization consists of not-for-profit entities, with the exception of HH Plymouth, as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization believes that it has appropriate support for the income tax positions taken and to be taken, and that its accruals for tax liabilities are adequate for all open tax years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. Management evaluated the Organization's tax positions and concluded the Organization has maintained its tax-exempt status, does not have any significant unrelated business income, has taken no significant uncertain tax positions that require disclosure in the accompanying consolidated financial statements and has no material liability for unrecognized tax benefits.

HH Plymouth is a single-member, New Hampshire Limited Liability Company, with Harbor Homes as its sole member. HH Plymouth has elected to be treated as a corporation.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

#### New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which requires that lease arrangements longer than twelve months result in an entity recognizing an asset and liability. The pronouncement is effective for the Organization on July 1, 2022. Early adoption is permitted and the guidance may be adopted retrospectively. Management is currently evaluating the impact this guidance will have on the Organization's consolidated financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 enhances the presentation of disclosure requirements for contributed nonfinancial assets. ASU 2020-07 requires entities to present contributed nonfinancial assets as a separate line item in the statement of activities and disclose the amount of contributed nonfinancial assets recognized within the statement of operations by category that depicts the type of contributed nonfinancial assets, as well as a description of any donor-imposed restrictions associated with the contributed nonfinancial assets and the valuation techniques used to arrive at a fair value measure at initial recognition. ASU 2020-07 is effective for the Organization for transactions in which they serve as the resource recipient beginning July 1, 2021, with early adoption permitted. The Organization is currently evaluating the impact of the pending adoption of ASU 2020-07 on the Organization's consolidated financial statements.

#### Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a disease caused by the novel coronavirus, a pandemic. The COVID-19 pandemic has significantly affected communities and business operations, as well as the U.S. economy and financial markets. As the COVID-19 crisis continues to evolve, the full extent to which the COVID-19 outbreak will impact business, results of operations, financial condition and liquidity will depend on future developments that are highly uncertain and cannot be accurately predicted. For example, it is not possible to predict or control the severity or duration of the pandemic, including whether there will be additional periods of increases in the number of COVID-19 cases in areas in which the Organization operates, the timing and availability of effective medical treatments and vaccines or the efficacy of public health controls.

#### Subsequent Events

Events occurring after the consolidated statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated subsequent events through November 10, 2021, which is the date the consolidated financial statements were available to be issued.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 2. Accounting Corrections

**Consolidation of Related Organization:** Boulder Point is a housing project development and HH Plymouth is the "Company Manager" member, a 0.01% member. In reviewing the accounting treatment of Boulder Point, the Organization determined that this entity did not qualify for consolidation within the Harbor Care consolidated financial statements as historically presented. The Organization, while acting as Company Manager, also provides a limited guaranty to fund operating deficits (as further discussed in Note 15). In addition, there is a Sponsor Loan between Boulder Point (obligor) and HH Plymouth (lender) in the amount of \$1,271,105 (also as further discussed in Note 15). The Organization determined that at the present time, the likelihood of repayment of this loan is low, there is a present value discount to the loan that should be factored into its value, and that collectability is not reasonably assured. Therefore, the note receivable as historically recognized by HH Plymouth should have been fully discounted/reserved for. As a result of the deconsolidation of Boulder Point and applying a discount/reserve against the note receivable from Boulder Point, beginning net assets at July 1, 2020 decreased by \$2,836,985.

**Beneficial Interest in Trust:** An agency fund was established by the New Hampshire Charitable Foundation (NHCF) in 2006 to support the mission of Harbor Homes and was historically recorded as net assets without donor restrictions. In reviewing the accounting treatment of this fund, the Organization determined that this fund should be classified as net assets with donor restrictions. As a result of this correction, \$175,512 was reclassified from net assets without donor restrictions to net assets with donor restrictions at July 1, 2020. There was no impact to total net assets at July 1, 2020.

### 3. Liquidity and Availability

Financial assets available for general expenditure within one year of the date of the consolidated statement of financial position consists of the following at June 30, 2021:

Cash and cash equivalents	\$ 5,024,232
Receivables	<u>3,133,444</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 8,157,676</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next year, the Organization operates with a balanced budget and anticipates sufficient revenue to cover general expenditures not covered by donor-restricted resources. As part of its liquidity management plan, the Organization also has revolving credit lines available to meet cash flow needs.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 4. Restricted Cash

Restricted cash consists of the following at June 30, 2021:

Operating reserves (required by HUD and NHHFA)	\$ 74,666
Reserve for replacements (required by HUD and NHHFA)	575,923
Residual receipt deposits (required by HUD and NHHFA)	54,577
Security deposits	27,065
Other	<u>24,127</u>
	<u>\$756,358</u>

### 5. Patient Accounts and Other Accounts Receivables

Other accounts receivable consist of the following at June 30, 2021:

Grants	\$2,186,674
Medicaid/Medicare	337,753
Residents and patients	220,980
Other	<u>94,923</u>
	<u>\$2,840,330</u>

Patient receivables, related to the Organization's FQHC, consist of the following at June 30, 2021:

Medicaid/Medicare	\$188,930
Other	<u>104,184</u>
	<u>\$293,114</u>

### 6. Investments and Fair Value Measurements

The Organization presents investments at fair value in compliance with the FASB in ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC Topic 820 establishes a framework for measuring fair value and requires assets and liabilities measured at fair value be segregated into the following three categories: (1) Level 1, fair values obtained from quoted prices in active markets for identical assets and liabilities; (2) Level 2, fair values obtained from significant other observable inputs, such as quoted prices for similar assets and liabilities in active markets; and (3) Level 3, fair values obtained from significant unobservable inputs. All of the Organization's investments measured at fair value are measured using Level 1 inputs.

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

**6. Investments and Fair Value Measurements (Continued)**

In December 2006, the Organization transferred funds to the New Hampshire Charitable Foundation (NHCF) to establish an endowment fund with the Organization named as beneficiary. Under terms of the agreement, distributions from the fund can be made at the discretion of the NHCF Board of Directors at such times and in such amounts and for such charitable purposes, as they deem appropriate, in keeping with the purposes of the fund. The Organization elected for all distributions to be reinvested into the fund. At the time of the transfer, the Organization granted variance power to NHCF. That power gives NHCF the right to distribute the investment income to another not-for-profit organization of its choice if the Organization ceases to exist or if the governing board of NHCF votes that support of the Organization (a) is no longer necessary, (b) is incapable of fulfillment, or (c) is inconsistent with the needs of the community. At June 30, 2021, the endowment fund has a value of \$235,208, which is reported in the consolidated statement of financial position as a beneficial interest in assets held by others. The Organization's legal interest is in its pro rata portion of the trust and not the trust's underlying assets. The Organization's interest is valued based upon its pro rata ownership of the total trust. As the actual assets are not readily available to the Organization, the asset is considered to be level 3.

Investments consist of the following at June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2021</u>				
Equities	\$ 46,235	\$ —	\$ —	\$ 46,235
Exchange traded funds	24,970	—	—	24,970
Mutual funds	17,101	—	—	17,101
Beneficial interest in assets held by others	<u>—</u>	<u>—</u>	<u>235,208</u>	<u>235,208</u>
	<u>\$ 88,306</u>	<u>\$ —</u>	<u>\$235,208</u>	<u>\$323,514</u>

The table below presents information about the changes in the beneficial interest in assets held by others for the year ended June 30, 2021:

Beginning balance	\$175,512
Investment return, net of fees	<u>59,696</u>
Ending balance	<u>\$235,208</u>

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 7. Property and Equipment

Property and equipment consists of the following at June 30, 2021:

Land and land improvements	\$ 4,480,228
Buildings and building improvements	33,662,915
Software	516,919
Vehicles	438,497
Furniture, fixtures and equipment	<u>366,585</u>
	39,465,144
Less accumulated depreciation	<u>(13,265,752)</u>
	<u>\$ 26,199,392</u>

Depreciation expense totaled \$1,491,813 for the year ended June 30, 2021.

### 8. Lines of Credit

At June 30, 2021, the Organization had the following lines of credit available:

Harbor Homes: \$1,600,000 of credit available from TD Bank, N.A. due February 28, 2022, secured by all business assets. The Organization is required, at a minimum, to make monthly interest payments at the Wall Street Journal Prime Rate plus 1.00% (4.25% at June 30, 2021). As of June 30, 2021, the credit line had an outstanding balance of \$225,120. Harbor Homes was in compliance with its debt covenant requirements for 2021.

GNCA: \$750,000 line of credit available from Merrimack County Savings Bank, due on demand, and secured by all business assets. The Organization is required, at a minimum, to make monthly interest payments at the Wall Street Journal Prime Rate plus 1.00% (4.25% at June 30, 2021). There was no outstanding balance on the line of credit at June 30, 2021. GNCA was in compliance with its debt covenant requirements for 2021.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 9. Payroll Protection Program Loans

In April 2020, the Organization received \$3,820,397 under the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP). The PPP, established as part of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), which was enacted March 27, 2020, provided for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses. The loans and accrued interest had original terms that were forgivable after a specified period as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the period. Certain modifications to PPP loan terms were signed into law in June 2020 that changed the forgiveness, covered period and forgiveness periods. When the proceeds were received, the Organization accounted for the PPP loan as a refundable advance. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with deferral of payments for the first ten months. The Organization believed that at June 30, 2020 a majority of the proceeds had been used for purposes consistent with the PPP requirements and recognized \$2,554,938 of the PPP loan as revenue as a result of qualifying expenses incurred in fiscal year 2020. The remaining balance of the PPP loan in the amount of \$1,265,459 was reflected as a refundable advance in the consolidated statement of financial position at June 30, 2020 as it was expected that the remaining proceeds would be used for purposes consistent with PPP requirements in fiscal year 2021.

During fiscal year 2021, the Organization received notification of forgiveness for the full PPP loan amounts. Upon such notification, the Organization recognized \$1,184,588 as revenue in fiscal year 2021.

### 10. Loan Payable

In June 2020, Harbor Homes entered into an Economic Injury Disaster Loan (EIDL) with the SBA in the amount of \$149,900. Proceeds were used to alleviate economic injury caused by the COVID-19 pandemic. Monthly payments of \$641, including principal and interest at 2.75%, began in June 2021.

Aggregate principal payments on the loan payable due within the next five years and thereafter are as follows for the year ending June 30:

2022	\$ 3,338
2023	3,182
2024	3,282
2025	3,386
2026	3,492
Thereafter	<u>133,220</u>
	<u>\$149,900</u>

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

**11. Notes Payable**

Notes Payable

Notes payable consisted of the following as of June 30, 2021:

<u>Property/Security</u>	<u>Monthly Payment Amount</u>	<u>Interest Rate</u>	<u>Interest Type</u>	<u>Maturity Date</u>	<u>Principal Balance</u>
615 Amherst Street, Nashua, NH	\$ 19,631	4.00%	Adjustable	September 2042	\$ 3,384,225
75-77 Northeastern Boulevard, Nashua, NH	18,772	4.38%	Adjustable	October 2029	3,269,898
75-77 Northeastern Boulevard, Nashua, NH	6,177	5.00%	Fixed	September 2029	1,201,443
335 Somerville Street, Manchester, NH	7,879	6.77%	Adjustable	December 2033	1,090,917
335 Somerville Street Manchester, NH	6,193	4.57%	Fixed	December 2033	1,044,580
59 Factory Street, Nashua, NH	7,768	7.05%	Adjustable	October 2040	976,141
59 Factory Street, Nashua, NH	2,692	4.75%	Adjustable	October 2040	407,321
59 Factory Street, Nashua, NH	310	4.39%	Adjustable	October 2035	39,547
46 Spring Street, Nashua, NH	5,126	6.97%	Adjustable	December 2036	572,952
46 Spring Street, Nashua, NH	3,996	4.75%	Fixed	December 2036	519,848
45 High Street, Nashua, NH	5,324	4.38%	Fixed	August 2030	479,587
12 Auburn Street, Nashua, NH	2,863	3.85%	Adjustable	December 2045	544,375
30 Allds Street, Nashua, NH	5,276	9.25%*	Fixed	December 2026	275,276
156 Chestnut Street, Nashua, NH	3,369	9.25%*	Fixed	January 2028	198,794
156 Chestnut Street, Nashua, NH	1,425	4.75%	Adjustable	April 2042	225,990
7 Trinity Street, Claremont, NH	1,731	7.00%*	Fixed	September 2036	195,562
7 North Main Street, Antrim, NH	3,184	9.25%*	Fixed	May 2025	128,781
2 Freedom Drive, Salem, NH	2,543	9.25%*	Fixed	April 2023	52,316
3 Winter Street, Nashua, NH	2,385	9.25%*	Fixed	August 2022	31,537
Mobile van and pharmacy inventory	3,419	1.00%	Fixed	April 2022	47,625
Software	3,419	1.00%	Fixed	June 2022	42,457
					<u>14,729,172</u>
Notes payable issuance costs					(60,658)
Current portion					<u>(655,636)</u>
					<u>\$14,012,878</u>

\* HUD issued and backed

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 11. Notes Payable (Continued)

Aggregate principal payments on the notes payable due within the next five years and thereafter are as follows for the years ending June 30:

2022	\$ 655,636
2023	564,938
2024	556,417
2025	589,077
2026	586,317
Thereafter	<u>11,776,787</u>
	<u>\$14,729,172</u>

Certain of the above notes payable contain various financial and nonfinancial covenants. Management asserts all debt covenant requirements have been met for 2021. The adjustable rate notes payable adjust at various times during the life of the respective note and are primarily based off the Federal Home Loan Bank of Boston Amortizing Advance Rate, plus basis points ranging from 200 to 300 basis points.

#### Notes Payable, Tax Credits

Notes payable, tax credits consist of notes held by the Community Development Finance Authority through the Community Development Investment Program, through the sale of tax credits to donor organizations. At June 30, 2021, these tax credits totaled \$455,463. The tax credits self-amortize over the term of the notes, which is generally 10 years.

#### Notes Payable, Deferred

The Organization has deferred notes outstanding, secured by real property. These loans are interest free, and are not required to be repaid unless the Organization is in default with the terms of the loan agreements or, for certain loans, if an operating surplus occurs within that program. The deferred loans are subordinate to any nondeferred loan on the related property. Management asserts all debt covenant requirements have been met for 2021.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 11. Notes Payable (Continued)

Deferred notes payable are as follows at June 30, 2021:

City of Manchester:	
Somerville Street property	\$ 300,000
City of Nashua:	
Factory Street property	580,000
Spring Street property	491,000
Strawberry Bank condominium	80,000
High Street fire system	<u>65,000</u>
Total City of Nashua	1,216,000
HUD:	
Strawberry Bank condominium	436,400
Federal Home Loan Bank (FHLB):	
Factory Street property	400,000
Somerville Street property	400,000
Spring Street property	398,747
Amherst Street property	<u>385,000</u>
Total FHLB	1,583,747 <sup>(1)</sup>
New Hampshire Housing Finance Authority (NHHFA):	
Amherst Street property	1,500,000
Factory Street property	982,349
Spring Street property	550,000
Somerville Street property	<u>1,000,000</u>
Total NHHFA	<u>4,032,349<sup>(2)</sup></u>
	<u>\$7,568,496</u>

- (1) Will be automatically forgiven at the end of the term  
(2) Nonrecourse

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 12. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following at June 30, 2021:

Purpose:	
Capital improvements	\$218,429
Veterans programs	13,375
Miscellaneous	16,486
Special events	<u>1,933</u>
	250,223
Perpetuity:	
Beneficial interest in assets held by others	<u>235,208</u>
	<u>\$485,431</u>

### 13. Patient Service Revenues

The Organization recognizes patient service revenue associated with services provided through its FQHC 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. 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 fee. If the patient is unable to pay the nominal fee, 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 service revenues (FQHC) consists of the following for the year ended June 30, 2021:

Medicaid	\$3,734,104
Medicare	1,323,310
Third party	549,453
Sliding fee/free care	50,486
Self-pay	<u>137,045</u>
	<u>\$5,794,398</u>

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 13. Patient Service Revenues (Continued)

Other patient service revenues consists of the following for the year ended June 30, 2021:

Medicaid	\$5,453,707
Medicare	247,305
Third party	107,091
Self-pay	<u>78,822</u>
	<u>\$5,886,925</u>

### 14. Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, those expenses require allocation on a reasonable basis that is consistently applied. The majority of expenses are direct costs that are charged to the applicable cost center, program, grant, and/or function. Costs that are not directly related to a cost center, program, grant, and/or function, or allocated as noted below, are accumulated into an indirect cost pool and charged using direct salaries, wages, and benefits as the allocation base. Certain individual cost elements are charged on a direct allocation basis, as follows:

#### Salaries, Wages and Benefits

Except for certain key members of management, employees charge their time directly to specific grants, contracts, or other activities. Charges are supported by labor distribution reports and timesheet records, which reflect the actual activities under each. Fringe benefits include unemployment insurance, workers' compensation, FICA, health insurance, dental insurance, short-term and long-term disability, and matching retirement contributions. Benefits are also directly charged, using a methodology similar to that used for salaries and wages.

#### Occupancy Costs

Occupancy costs are allocated as follows:

- Interest on debt-financed property is allocated based on the purpose/use of the property.
- Rent is allocated based on square footage.
- Utilities are charged based on the purpose/use of the property.
- Depreciation is allocated based on the purpose/use of the property.

# HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

### 15. Related Party Transactions

As discussed in Note 2, Boulder Point is a related party to the Organization. The following is a summary of transactions between the Organization and Boulder Point:

- Boulder Point and Harbor Homes entered into a ground lease agreement in 2018. The lease called for a one-time payment of \$285,000 at inception of the lease. The lease terminates in June 2116 with optional one-year renewals. At June 30, 2021, Harbor Homes has recorded \$276,275 in deferred rent revenue, which is reflected within other long-term liabilities in the accompanying consolidated statement of financial position.
- Harbor Homes has an amount due from Boulder Point for project developer fees. At the end of each fiscal year, Boulder Point repays Harbor Homes to the extent the project produces sufficient cash flow. At June 30, 2021, Harbor Homes has recorded \$157,504 related to developer fees receivable, which is reflected within other long-term assets in the accompanying consolidated statement of financial position.
- Harbor Homes recognized approximately \$47,000 in management fee revenue from Boulder Point for the year ended June 30, 2021, which is also reflected as due from related organizations in the accompanying consolidated statement of financial position a June 30, 2021.
- As discussed in Note 2, Harbor Homes provides a guaranty of operating deficits of the Boulder Point project in the amount of \$275,000. Accordingly, in the event the project were to experience financial distress, Harbor Homes would have a contingent liability for operating deficits up to \$275,000. This risk has been mitigated in part through the establishment of an operating reserve.
- As discussed in Note 2, there is a loan between HH Plymouth and Boulder Point totaling \$1,271,105. The loan is due to HH Plymouth in a balloon payment in 2039 and is the last priority of note payable. The Organization determined that the likelihood of repayment of this loan is low and collectability is not reasonably assured and therefore, the note receivable is fully reserved for by HH Plymouth as of June 30, 2021.

## **Supplementary Information**

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2021

	Harbor Homes*	Harbor Homes II, Inc.	Harbor Homes III Inc.	HH Ownership, Inc.	Greater Nashua Council on Alcoholism	Healthy at Home, Inc.	Welcoming Light, Inc.	SARC Housing Needs Board, Inc.	Southern NH HIV/AIDS Task Force, Inc.	Eliminations	Total
<b>Assets</b>											
Current assets:											
Cash and cash equivalents	\$ 2,918,209	\$ 3,039	\$ 8,905	\$ 7,197	\$ 1,975,910	\$ 17,959	\$ 14,685	\$ 42,500	\$ 286,051	\$ -	\$ 5,274,455
Restricted cash	455,283	33,072	33,168	22,664	62,743	-	46,328	103,100	-	-	756,358
Other accounts receivable, net	2,632,531	2,749	599	10	83,975	113,720	6,333	413	-	-	2,840,330
Patient accounts receivables	293,114	-	-	-	-	-	-	-	-	-	293,114
Due from related organizations	3,137,052	-	-	-	80,100	-	-	-	1,288	(3,171,122)	47,318
Inventory	84,719	-	-	-	-	-	-	-	-	-	84,719
Other assets	12,059	-	-	-	-	-	5,729	-	-	-	17,788
Total current assets	9,532,967	38,860	42,672	29,871	2,202,728	131,679	73,075	146,013	287,339	(3,171,122)	9,314,082
Property and equipment, net	19,764,924	255,741	199,230	268,758	4,841,580	2,042	781,136	85,981	-	-	26,199,392
Other assets:											
Investments	88,306	-	-	-	-	-	-	-	-	-	88,306
Beneficial interest in assets held by others	235,208	-	-	-	-	-	-	-	-	-	235,208
Other assets	180,913	-	-	-	-	-	-	-	600	-	181,513
Total other assets	504,427	-	-	-	-	-	-	-	600	-	505,027
Total assets	\$29,802,318	\$ 294,601	\$ 241,902	\$ 298,629	\$ 7,044,308	\$ 133,721	\$ 854,211	\$ 231,994	\$ 287,939	\$(3,171,122)	\$36,018,501
<b>Liabilities and Net Assets</b>											
Current liabilities:											
Lines of credit	\$ 225,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,120
Current portion of notes payable	359,559	43,309	22,998	-	141,184	-	61,795	26,791	-	-	655,636
Current portion of loan payable	3,338	-	-	-	-	-	-	-	-	-	3,338
Due to related organizations	2,601,967	196,227	8,523	9,020	-	41,228	312,582	1,575	-	(3,171,122)	-
Accounts payable	882,505	1,502	625	981	-	3,602	1,783	2,580	-	-	893,578
Accrued payroll, vacation and related expenses	1,008,217	-	-	-	-	43,566	-	-	32	-	1,051,815
Other liabilities	127,096	2,328	1,532	1,901	168,318	6,526	2,100	403	-	-	310,204
Total current liabilities	5,207,802	243,366	33,678	11,902	309,502	94,922	378,260	31,349	32	(3,171,122)	3,139,691
Long-term liabilities:											
Accrued payroll, vacation and related expenses	518,643	-	-	-	-	15,415	-	-	-	-	534,058
Notes payable, net of current portion	9,743,389	231,967	175,796	-	3,224,840	-	611,361	25,525	-	-	14,012,878
Notes payable, tax credits	455,463	-	-	-	-	-	-	-	-	-	455,463
Notes payable, deferred	5,167,096	-	-	516,400	1,885,000	-	-	-	-	-	7,568,496
Loan payable	146,562	-	-	-	-	-	-	-	-	-	146,562
Other liabilities	347,858	3,798	2,330	1,284	-	-	5,013	2,028	80,870	-	443,181
Total long-term liabilities	16,379,011	235,765	178,126	517,684	5,109,840	15,415	616,374	27,553	80,870	-	23,160,638
Total liabilities	21,586,813	479,131	211,804	529,586	5,419,342	110,337	994,634	58,902	80,902	(3,171,122)	26,300,329
Net assets (deficit):											
Without donor restrictions	7,730,074	(184,530)	30,098	(230,957)	1,624,966	23,384	(140,423)	173,092	207,037	-	9,232,741
With donor restrictions	485,431	-	-	-	-	-	-	-	-	-	485,431
Total net assets (deficit)	8,215,505	(184,530)	30,098	(230,957)	1,624,966	23,384	(140,423)	173,092	207,037	-	9,718,172
Total liabilities and net assets	\$29,802,318	\$ 294,601	\$ 241,902	\$ 298,629	\$ 7,044,308	\$ 133,721	\$ 854,211	\$ 231,994	\$ 287,939	\$(3,171,122)	\$36,018,501

\* Consists of Harbor Homes, Inc., HH Plymouth, HUD I and HUD VI

HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2021

	Harbor Homes*	Harbor Homes II, Inc.	Harbor Homes III Inc.	HH Ownership, Inc.	Greater Nashua Council on Alcoholism	Healthy at Home, Inc.	Welcoming Light, Inc.	SARC Housing Needs Board, Inc.	Southern NH HIV/AIDS Task Force, Inc.	Eliminations	Total
<b>Support and Revenues</b>											
Support:											
Grants:											
Federal	\$ 9,521,998	\$ 127,859	\$ 111,269	\$ 32,091	\$ 88,340	\$ 19,336	\$ 128,371	\$ 100,155	\$ 133,784	\$ –	\$10,263,203
State	6,722,643	–	–	–	744,191	67,800	–	–	477,858	–	8,012,492
Contributions	1,513,460	–	–	–	26,960	33,344	3,233	–	61,917	–	1,638,914
CARES Act funding	1,181,727	–	–	–	–	–	–	–	2,861	–	1,184,588
Special events, net	24,718	–	–	–	–	–	–	–	–	–	24,718
Total support	18,964,546	127,859	111,269	32,091	859,491	120,480	131,604	100,155	676,420	–	21,123,915
Revenues:											
Patient service revenues (FQHC)	5,820,872	–	–	–	–	–	–	–	–	(26,474)	5,794,398
Patient service revenues (other)	3,913,535	–	–	–	584,848	1,388,542	–	–	–	–	5,886,925
Veterans Administration programs	3,135,408	–	–	–	–	–	–	–	–	–	3,135,408
Rental income:											
Resident payments	762,428	45,731	35,122	25,485	–	–	81,614	28,454	–	–	978,834
Other income	375,082	–	–	–	228,995	–	–	–	–	(277,911)	326,166
Developer fees	16,003	–	–	–	–	–	–	–	–	–	16,003
Contracted services	610,287	–	–	–	34,681	206,093	–	–	50,619	–	901,680
Management fees	110,597	–	–	–	–	–	–	–	–	(57,089)	53,508
Other income	84,991	–	–	–	–	202	–	15,416	–	–	100,609
Total revenues	14,829,203	45,731	35,122	25,485	848,524	1,594,837	81,614	43,870	50,619	(361,474)	17,193,531
Total support and revenues	33,793,749	173,590	146,391	57,576	1,708,015	1,715,317	213,218	144,025	727,039	(361,474)	38,317,446
Operating expenses:											
Program services	27,332,599	115,135	74,933	38,187	1,237,849	1,613,924	110,378	49,783	668,353	(277,725)	30,963,416
Management and general	5,065,309	27,073	21,830	17,401	217,920	55,606	50,780	18,683	22,147	(83,749)	5,413,000
Fundraising and development	284,017	–	–	–	9	5,000	–	–	250	–	289,276
Total operating expenses before depreciation expense	32,681,925	142,208	96,763	55,588	1,455,778	1,674,530	161,158	68,466	690,750	(361,474)	36,665,692
Depreciation expense	1,091,724	24,442	24,534	14,349	298,137	2,970	26,217	7,555	1,885	–	1,491,813
Total operating expenses	33,773,649	166,650	121,297	69,937	1,753,915	1,677,500	187,375	76,021	692,635	(361,474)	38,157,505
Income (loss) from operations	20,100	6,940	25,094	(12,361)	(45,900)	37,817	25,843	68,004	34,404	–	159,941
Nonoperating revenue:											
Investment return, net	88,483	11	14	7	5,201	–	9	148	109	–	93,982
Total nonoperating revenue, net	88,483	11	14	7	5,201	–	9	148	109	–	93,982
Change in net assets	108,583	6,951	25,108	(12,354)	(40,699)	37,817	25,852	68,152	34,513	–	253,923
Net assets (deficit), beginning of year	8,106,922	(191,481)	4,990	(218,603)	1,665,665	(14,433)	(166,275)	104,940	172,524	–	9,464,249
Net assets (deficit), end of year	\$ 8,215,505	\$ (184,530)	\$ 30,098	\$ (230,957)	\$ 1,624,966	\$ 23,384	\$ (140,423)	\$ 173,092	\$ 207,037	\$ –	\$ 9,718,172

\* Consists of Harbor Homes, Inc., HH Plymouth, HUD I and HUD VI

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

STATEMENT OF FINANCIAL POSITION – HARBOR HOMES, INC.

June 30, 2021

	<b>Harbor Homes, Inc.</b>	<b>HUD I, Inc.</b>	<b>HUD VI, Inc.</b>	<b>HH Plymouth, LLC</b>	<b>Total</b>
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 2,899,346	\$ 16,507	\$ 2,356	\$ –	\$ 2,918,209
Restricted cash	308,900	68,509	77,874	–	455,283
Other accounts receivable, net	2,629,353	1,063	2,115	–	2,632,531
Patient accounts receivables	293,114	–	–	–	293,114
Due from related organizations	3,137,052	–	–	–	3,137,052
Inventory	84,719	–	–	–	84,719
Other assets	12,059	–	–	–	12,059
Total current assets	9,364,543	86,079	82,345	–	9,532,967
Property and equipment, net	19,408,665	77,914	278,345	–	19,764,924
Other assets:					
Investments	88,306	–	–	–	88,306
Beneficial interest in assets held by others	235,208	–	–	–	235,208
Other assets	180,913	–	–	–	180,913
Total other assets	504,427	–	–	–	504,427
Total assets	<u>\$ 29,277,635</u>	<u>\$ 163,993</u>	<u>\$ 360,690</u>	<u>\$ –</u>	<u>\$ 29,802,318</u>
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Lines of credit	\$ 225,120	\$ –	\$ –	\$ –	\$ 225,120
Current portion of notes payable	327,485	24,755	7,319	–	359,559
Current portion of loan payable	3,338	–	–	–	3,338
Due to related organizations	1,201,233	2,473	127,156	1,271,105	2,601,967
Accounts payable	881,617	736	152	–	882,505
Accrued payroll, vacation and related expenses	1,008,217	–	–	–	1,008,217
Other liabilities	125,060	888	1,148	–	127,096
Total current liabilities	3,772,070	28,852	135,775	1,271,105	5,207,802
Long-term liabilities:					
Accrued payroll and related expenses	518,643	–	–	–	518,643
Notes payable, net of current portion	9,548,364	6,782	188,243	–	9,743,389
Notes payable, tax credits	455,463	–	–	–	455,463
Notes payable, deferred	5,167,096	–	–	–	5,167,096
Loan payable, net of current portion	146,562	–	–	–	146,562
Other liabilities	344,227	2,616	1,015	–	347,858
Total long-term liabilities	16,180,355	9,398	189,258	–	16,379,011
Total liabilities	19,952,425	38,250	325,033	1,271,105	21,586,813
Net assets (deficit):					
Without donor restrictions	8,839,779	125,743	35,657	(1,271,105)	7,730,074
With donor restrictions	485,431	–	–	–	485,431
Total net assets (deficit)	9,325,210	125,743	35,657	(1,271,105)	8,215,505
Total liabilities and net assets (deficit)	<u>\$ 29,277,635</u>	<u>\$ 163,993</u>	<u>\$ 360,690</u>	<u>\$ –</u>	<u>\$ 29,802,318</u>

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

STATEMENT OF ACTIVITIES – HARBOR HOMES, INC.

June 30, 2021

	<b>Harbor Homes, Inc.</b>	<b>HUD I, Inc.</b>	<b>HUD VI, Inc.</b>	<b>HH Plymouth, LLC</b>	<b>Total</b>
<b>Support and Revenues</b>					
Support:					
Grants:					
Federal	\$ 9,356,335	\$ 94,481	\$ 71,182	\$ –	\$ 9,521,998
State	6,722,643	–	–	–	6,722,643
Contributions	1,513,460	–	–	–	1,513,460
CARES Act funding	1,181,727	–	–	–	1,181,727
Special events, net	24,718	–	–	–	24,718
Total support	<u>18,798,883</u>	<u>94,481</u>	<u>71,182</u>	<u>–</u>	<u>18,964,546</u>
Revenues:					
Patient service revenues (FQHC)	5,820,872	–	–	–	5,820,872
Patient service revenues (other)	3,913,535	–	–	–	3,913,535
Veterans Administration programs	3,135,408	–	–	–	3,135,408
Rental income:					
Resident payments	707,849	38,283	16,296	–	762,428
Other	375,082	–	–	–	375,082
Developer fees	16,003	–	–	–	16,003
Contracted services	610,287	–	–	–	610,287
Management fees	110,597	–	–	–	110,597
Other income	84,991	–	–	–	84,991
Total revenues	<u>14,774,624</u>	<u>38,283</u>	<u>16,296</u>	<u>–</u>	<u>14,829,203</u>
Total support and revenues	<u>33,573,507</u>	<u>132,764</u>	<u>87,478</u>	<u>–</u>	<u>33,793,749</u>
Operating expenses:					
Program services	27,213,905	62,524	56,170	–	27,332,599
Management and general	5,026,164	20,414	18,731	–	5,065,309
Fundraising and development	284,017	–	–	–	284,017
Total operating expenses before depreciation expense	<u>32,524,086</u>	<u>82,938</u>	<u>74,901</u>	<u>–</u>	<u>32,681,925</u>
Depreciation expense	1,071,522	5,809	14,393	–	1,091,724
Total operating expenses	<u>33,595,608</u>	<u>88,747</u>	<u>89,294</u>	<u>–</u>	<u>33,773,649</u>
(Loss) income from operations	(22,101)	44,017	(1,816)	–	20,100
Nonoperating revenue:					
Investment return, net	88,446	30	7	–	88,483
Total nonoperating revenue, net	<u>88,446</u>	<u>30</u>	<u>7</u>	<u>–</u>	<u>88,483</u>
Change in net assets	66,345	44,047	(1,809)	–	108,583
Net assets (deficit), beginning of year	9,258,865	81,696	37,466	(1,271,105)	8,106,922
Net assets (deficit), end of year	<u>\$ 9,325,210</u>	<u>\$ 125,743</u>	<u>\$ 35,657</u>	<u>\$ (1,271,105)</u>	<u>\$ 8,215,505</u>

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**  
**STATEMENT OF FUNCTIONAL EXPENSES – HARBOR HOMES, INC.**

For the Year Ended June 30, 2021

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising and Development</b>	<b>Total</b>
Personal expenses:				
Salaries and wages	\$ 11,584,048	\$ 3,120,412	\$ 197,893	\$ 14,902,353
Payroll taxes	866,061	233,113	14,601	1,113,775
Employee benefits	1,852,451	644,681	29,364	2,526,496
Contract/professional services	491,170	193,055	4,295	688,520
Supplies:				
Office	108,994	41,483	1,944	152,421
Medical/dental	182,977	786	6	183,769
Building and household	99,056	3,806	42	102,904
Client services:				
Rental assistance	3,322,715	–	–	3,322,715
Rental application fee	811	–	–	811
Security deposit assistance	105,219	–	–	105,219
Utility rebate	61,805	–	–	61,805
Emergency housing	517,761	–	–	517,761
Treatment and supportive services	20,759	–	–	20,759
Training and employment assistance	12,355	–	–	12,355
Supportive services assistance	100,181	–	–	100,181
Activities, supplies and other assistance	46,781	–	–	46,781
Food, meals and nutritional assistance	163,945	–	–	163,945
Rent: office space	272,447	–	–	272,447
Building:				
Maintenance and repairs	413,801	26,415	299	440,515
Utilities	425,708	33,685	363	459,756
Interest:				
Mortgage	436,217	99,677	888	536,782
Other	560	23,891	–	24,451
Conference and conventions	8,181	759	–	8,940
Professional services	36,707	25,000	–	61,707
Accounting and audit services	17,743	81,319	–	99,062
Legal fees	18,667	60,038	–	78,705
Insurance:				
Property and liability	60,999	17,576	47	78,622
Professional	35,749	390	–	36,139
Other	–	68,407	–	68,407
Vehicle and transportation expenses	71,469	–	–	71,469
Staff:				
Transportation	36,223	2,380	257	38,860
Education and training	94,172	40,486	79	134,737
Hiring and recruiting	63,579	5,343	295	69,217
Uniforms	1,529	–	–	1,529

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

STATEMENT OF FUNCTIONAL EXPENSES – HARBOR HOMES, INC. (CONTINUED)

For the Year Ended June 30, 2021

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising and Development</b>	<b>Total</b>
Operations:				
Communication	\$ 134,263	\$ 43,654	\$ 1,157	\$ 179,074
Cable	8,938	216	2	9,156
Postage	10,762	21,701	1,213	33,676
Membership and subscriptions	42,630	24,260	5,138	72,028
Equipment lease and maintenance	43,969	8,350	551	52,870
Software licenses, maintenance and fees	625,001	200,243	275	825,519
Subrecipient and subcontracts	3,939,424	–	–	3,939,424
Property taxes	49,464	990	–	50,454
Direct program marketing and advertising	14,959	211	2,148	17,318
Marketing	1,770	5,181	11,878	18,829
Fundraising publications	–	773	7,848	8,621
Management and administrative fees	–	15,292	–	15,292
Service charges and fees	9,902	24,803	3,434	38,139
Fines and penalties	580	571	–	1,151
Staff and board expenses	2,698	–	–	2,698
Cost of goods sold	917,399	–	–	917,399
Allocation:				
Building and occupancy	–	(3,638)	–	(3,638)
Total functional expense before depreciation expense	27,332,599	5,065,309	284,017	32,681,925
Depreciation expense	1,044,175	47,212	337	1,091,724
Total functional expenses	<u>\$ 28,376,774</u>	<u>\$ 5,112,521</u>	<u>\$ 284,354</u>	<u>\$ 33,773,649</u>

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

STATEMENT OF FUNCTIONAL EXPENSES – GREATER NASHUA COUNCIL ON ALCOHOLISM, INC.

For the Year Ended June 30, 2021

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising and Development</b>	<b>Total</b>
Personal expenses:				
Salaries and wages	\$ 534,843	\$ 146,361	\$ –	\$ 681,204
Payroll taxes	38,403	19,869	–	58,272
Employee benefits	76,910	23,848	–	100,758
Contract/professional services	292,004	1,711	–	293,715
Supplies:				
Office	6,171	3,262	–	9,433
Medical/dental	11,209	–	–	11,209
Building and household	8,491	–	–	8,491
Client services:				
Rental assistance	1,765	–	–	1,765
Supportive services assistance	980	–	–	980
Activities, supplies and other assistance	4,892	–	–	4,892
Food, meals and nutritional assistance	30,411	–	–	30,411
Rent: office space	12,665	–	–	12,665
Building:				
Maintenance and repairs	9,488	1,329	–	10,817
Utilities	16,693	–	–	16,693
Interest:				
Mortgage	142,059	–	–	142,059
Other	1,579	–	–	1,579
Professional services	6,384	–	–	6,384
Accounting and audit services	276	3,288	–	3,564
Legal fees	–	77	–	77
Insurance:				
Property and liability	3,238	–	–	3,238
Professional	1,172	–	–	1,172
Other	–	2,493	–	2,493
Vehicle and transportation expenses	3,141	–	–	3,141
Staff:				
Transportation	1,393	–	–	1,393
Education and training	3,851	509	–	4,360
Hiring and recruiting	346	706	–	1,052
Operations:				
Communication	6,123	706	–	6,829
Cable	67	–	–	67
Postage	178	13	–	191
Membership and subscriptions	588	32	–	620
Equipment lease and maintenance	4,926	101	–	5,027

**HARBOR HOMES, INC. AND AFFILIATES d/b/a HARBOR CARE**

STATEMENT OF FUNCTIONAL EXPENSES – GREATER NASHUA COUNCIL ON ALCOHOLISM, INC. (CONTINUED)

For the Year Ended June 30, 2021

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising and Development</b>	<b>Total</b>
Software licenses, maintenance and fees	\$ 16,212	\$ 9,906	\$ –	\$ 26,118
Direct program marketing/advertising	–	9	–	9
Marketing	148	–	–	148
Service charges and fees	1,204	952	9	2,165
Fines and penalties	39	128	–	167
Support services - nonclinical	–	2,620	–	2,620
Total functional expense before depreciation expense	1,237,849	217,920	9	1,455,778
Depreciation expense	298,137	–	–	298,137
Total functional expenses	\$ 1,535,986	\$ 217,920	\$ 9	\$ 1,753,915