

**Harbor Care**  
**Audit Services RFP**  
**Vendor Questions & Responses – Addendum No. 1**  
**Issued: December 2025**

*This Addendum is issued for clarification only. All terms, requirements, and conditions of the RFP remain unchanged unless specifically modified by a subsequent written addendum issued by Harbor Care.*

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**Vendor Questions & Responses**

**Q1. We are wondering if you're going through an RFP as a standard business practice or if there is another reason, such as being unhappy with your current auditor or experiencing fee pressure.**

Harbor Care issues competitive solicitations for audit services in accordance with 2 CFR 200.317–200.326. This RFP is part of our standard procurement cycle to ensure continued compliance, independence, and best value. There are no performance-related concerns with the current auditor.

**Q2. Are you able to share what you paid for FY25 services?**

To ensure a fair and competitive evaluation process, Harbor Care cannot disclose prior-year pricing during the active bid period. As outlined in the evaluation criteria, the fee proposal represents 15% of the overall scoring and will be assessed based on the reasonableness and clarity of the proposed fee structure, multi-year pricing, and billing practices. Price will be considered, but it will not be the primary determining factor in award. Any final fee discussions will occur during contract negotiations with the selected firm.

**Q3. The RFP mentions FASS-PH and NHHFA filings. How many entities require these filings and how many separate 990's are filed?**

The FASS-PH submission applies to a single entity, Harbor Homes Inc. The NHHFA filing, is submitted as one consolidated supplemental report covering four (4) properties. In addition, seven (7) separate Form 990 filings are required, as detailed in the response to **Question 36**.

**Q4. We noted in the RFP that you have a common Board, CEO, & Leadership Team. Is there also a centralized accounting/finance team that is the point of contact for all entities during the audit, or do entities within your network have their own teams that would be**

**involved in providing information throughout the engagements?**

Harbor Care maintains a centralized Finance Department that supports all network entities. All audit requests are coordinated through Finance, with program and operational staff engaged as necessary.

**Q5. Do you have known plans for any expansion or dissolution over the next five years that would affect the entities included in your consolidated entities?**

There are no anticipated expansions or dissolutions expected to materially impact the consolidated reporting structure. Harbor Care continually evaluates opportunities to strengthen and streamline operations and may pursue strategic growth initiatives aligned with our mission.

**Q6. Do you prefer audit services to be provided fully onsite or a hybrid of on-site/remote fieldwork?**

A hybrid model is preferred. Fully remote is acceptable where efficient and secure processes can be maintained.

**Q7. What led your firm to search for a new CPA? Does your current firm perform any other services outside of the audit/tax? Is the current firm participating in the bid process?**

Please refer to the responses to **Questions 1 and 24**.

**Q8. What are you currently paying or what have you budgeted for the audit and tax fee?**

Please refer to **Question 2**.

**Q9. How did you learn about us?**

Through market research and nonprofit audit resources including GAQC membership lists and qualified auditor directories.

**Q10. What are your plans for the future? i.e. What does your strategic plan look like? What are your blockers to achieve success? What's in your way?**

Strategic priorities include expansion of affordable housing, behavioral health services, and primary care access; strengthening internal controls and systems; and supporting long-term financial sustainability.

Blockers include workforce shortages, reimbursement volatility, and barriers to timely development of affordable housing.

**Q11. Are you currently using data analytics for management decisions? If not, would that be something you would be interested in doing in the future?**

Yes. Harbor Care actively uses financial and operational analytics and continues to evaluate automation and real-time data capabilities to support decision-making.

**Q12. Do you feel your people are working at their highest and best use or do you feel there is an opportunity to use technology to free up people time?**

Our team is highly effective and skilled. At the same time, we recognize ongoing opportunities to enhance efficiency through automation — including the use of AI-enabled tools — to reduce manual processes and focus staff time on higher-value activities. We welcome recommendations that improve workflow and strengthen internal controls.

**Q13. What keeps you up at night? What worries you?**

- Funding stability and policy changes affecting healthcare and housing
- Rising labor costs and workforce recruitment/retention challenges
- Increased community demand with limited reimbursement and capacity
- Complex regulatory and compliance requirements
- Cybersecurity and emerging technology risks

Harbor Care’s leadership remains focused on navigating these uncertainties while maintaining strong financial and operational performance.

**Q14. Is data or IT security part of your overall Risk Management Plan? Do you do penetration testing, what do you do for phishing and cyber training internally? Have you brought your team through AI cyber risks, like deep fakes?**

Yes. Information security is a core component of our Risk Management Plan. Harbor Care has:

- Mandatory monthly cybersecurity training for all staff
- Continuous phishing simulations with remediation as needed
- Multi-factor authentication, access controls, encryption, and network monitoring
- Formal incident response planning
- Training on AI-enabled threats such as deepfakes and advanced impersonation techniques

Cyber risk is actively monitored by IT and Compliance in alignment with industry best practices.

**Q15. How engaged is your Board? What is your finance committee’s skill set?**

Harbor Care’s Board is highly engaged and mission-driven, with deep experience in:

- Healthcare administration
- Banking and financial services
- Corporate operations and strategy
- Information technology and cybersecurity
- Legal/public sector leadership
- Nonprofit management and community services

Finance & Audit Committee members bring extensive expertise in auditing, financial reporting, risk management, and regulatory compliance — supporting strong governance and oversight.

**Q16. What are the approval steps and timeline of your selection process?**

Harbor Care follows a competitive procurement and governance approval process. Key milestones are:

- RFP Issued: November 21, 2025
- Vendor Question Period Ends: December 5, 2025
- Proposals Due: December 19, 2025
- Evaluation & Interviews: December 20, 2025 – January 23, 2026
- Audit Committee Recommendation: January 27, 2026
- Final Board Approval: January 28, 2026

Engagement letter execution and audit planning will follow Board approval.

**Q17. What are you searching for in a CPA firm?**

High audit quality, strong federal awards expertise, consistent communication, continuity of staffing, and deep nonprofit healthcare and housing knowledge.

**Q18. Have there been any major changes in your programs? Any new programs? Any programs discontinued? Any major expansion of your programs?**

No major program changes are anticipated that would impact the FY26 audit scope.

**Q19. Form 990 – HH Plymouth – does this entity file its own tax return? It is 100% owned by Harbor Homes so I would anticipate that this is a disregarded entity rather than a corporation that files its own tax return.**

Please refer to the response to **Question 49**.

**Q20. Harbor Homes I, Inc. (HUD I) and Harbor Homes VI, Inc. (HUD VI) – are these single member corporations as well? Are HUD filings required for these entities? Or are HUD submissions only required for HUD II and HUD III because HUD I and HUD VI are just programs of Harbor Homes?**

Please refer to the response to **Question 50**.

**Q21. Would you like a quote related to the employee benefit plan, cost reports or 340B internal audits?**

You may include optional quotes for these services; they are not required. However, to ensure pricing comparability, please provide any optional service quotes **as a separate schedule**, distinct from the core audit/tax pricing.

**Q22. Are you open to suggestions and feedback on the format and presentation of the financial statements?**

Yes. Harbor Care welcomes recommendations that improve clarity, usability, or efficiency while maintaining GAAP and federal compliance.

**Q23. Are you currently experiencing a remote enabled audit, an on-site audit or a combination of the two? Are you open to a fully remote audit?**

We are currently experiencing a hybrid audit. Also see **Question 6**.

**Q24. Why is Harbor Care going out to bid?**

Please refer to **Question 1**.

**Q25. How many firms did you send the RFP out to?**

Approximately **22** qualified firms were invited to participate.

**Q26. Is the incumbent firm included in the RFP process?**

Yes. The incumbent has been invited to submit a proposal; participation will be confirmed at proposal receipt.

**Q27. What is your budget for attestation and tax services?**

Please refer to **Question 2**. Pricing will be evaluated competitively as part of this procurement process.

**Q28. How would you describe your ideal relationship with a firm?**

A proactive, collaborative partner who communicates clearly, understands our operations, identifies risks timely, and supports continuous improvement.

Also see **Question 17**.

**Q29. What values, do you believe, the Board of Directors is seeking in a firm?**

Integrity, professional excellence, federal compliance expertise, responsiveness, and strong communication. Also see **Question 15**.

**Q30. Are there any specific concerns management and/or the Board currently has with Harbor Care's operations?**

Core areas of focus include:

- Financial sustainability of federally funded operational models
- Capacity to meet increasing service needs in housing and healthcare
- Workforce cost pressures
- Cybersecurity and compliance risk

Also see **Question 13**.

**Q31. What worries management or the Board with Harbor Care’s operations within the next 5 years or further?**

- Funding volatility and regulatory changes
- Affordable housing development timelines
- Workforce and reimbursement constraints
- Maintaining service excellence while scaling programs

Also see **Question 13**.

**Q32. Is the expectation for fieldwork to be conducted onsite, remotely or via a hybrid approach?**

Please refer to **Question 6**.

**Q33. Is there anything about your current audit process that you would like to change in the future?**

No significant changes anticipated at this time. Opportunities for process efficiencies or improved automation may be evaluated as collaboration evolves.

**Q34. What are the most important factors that you will be considering when making your decision related to the RFP?**

Proposals will be evaluated using the following weighted criteria:

- Relevant Experience & Qualifications – 30%
- Single Audit & GAGAS Expertise – 25%
- Audit Approach & Engagement Team – 20%
- Quality Assurance & Peer Review Results – 10%
- Fee Proposal – 15%

Price will be considered but will not be the primary determinant of award.

**Q35. Are you expecting any significant changes to your Schedule of Expenditures of Federal Awards for FY 2026?**

No significant changes are anticipated.

**Q36. The RFP indicates that the proposal is for multiple tax services. Aside from the entities and returns listed below, are there any other tax services or entities included in the scope of work?**

No.

\*The full scope includes:

- Harbor Homes, Inc. – Form 990
- Greater Nashua Council on Alcoholism Keystone Hall – Form 990

- Welcoming Light Inc. – Form 990
- Harbor Homes HUD II, Inc. – Form 990
- Harbor Homes HUD III, Inc. – Form 990-EZ
- HH Ownership, Inc. – Form 990-EZ
- SARC Housing Needs Board, Inc. – Form 990-EZ

\*The tax forms provided reflect FY24 gross receipts and total assets thresholds

**Q37. For the tax work, What are your timing/filing expectations and preferred review process (committee/Board touchpoints, etc.)?**

Draft filings will be reviewed by Finance, CEO and presented to the Finance Committee. Standard IRS and state filing deadlines apply (extensions if required).

**Q38. Do you maintain items in 990-compatible format (e.g., functional expense mappings, related-org mapping, compensation workpapers)?**

Yes — supporting schedules are maintained to ensure timely and accurate completion of required 990 disclosures.

**Q39. Would a brief presentation of the Form 990 to the Board/committee prior to filing be helpful?**

Yes — a Finance Committee briefing is preferred prior to submission.

**Q40. Unrelated business income: we noted that Harbor Homes, Inc. reported UBI on the 6/30/24 990. Is it possible to receive a copy of the most recently filed Form 990-T for scoping purposes? Are there any other UBI activities currently underway or under consideration by any of the other organizations?**

UBI relates to rental income at 75-77 Northeastern Blvd, Nashua NH. No other UBI activities are anticipated.

**Q41. What are you looking for in an auditor?**

Please refer to the response to **Question 17**.

**Q42. What is the volume of federal awards for FY26?**

Approximately \$22 million.

**Q43. How many major programs were audited in FY25 in the Single Audit (Uniform Guidance)?**

Five (5) major programs.

**Q44. Are separate, stand-alone financial statements required for each HUD/NHHFA project?**

No stand-alone financial statements are required. NHHFA annual supplementary schedules only.

**Q45. Are there any acquisitions, mergers, or other significant transactions that might impact the level of audit work for FY26?**

None anticipated.

**Q46. Are there any adjustments that the auditors make as a non-attest service (i.e. depreciation, leases, etc.)?**

Only lease accounting schedules. All other adjusting entries are performed internally.

**Q47. Is all of the inventory maintained at a singular location?**

Yes — inventory is maintained at the pharmacy.

**Q48. Is the 401(k) plan going to continue being audited by another firm?**

Yes. The 401(k) plan is quoted separately each year. Proposers may include a separate optional quote if offering those services.

**Q49. Is there a tax filing for HH Plymouth?**

Yes. Tax filings are completed by Boulder Point auditors for this entity.

**Q50. Are there tax filings for HUD 1 and HUD VI?**

No. HUD I and HUD VI are included within Harbor Homes, Inc.

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**Addendum Statement**

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