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INDEPENDENT AUDITORS' REPORT

Board of Directors
Tedford Housing
Brunswick, Maine

We have audited the accompanying financial statements of Tedford Housing (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tedford Housing as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bath, Maine

October 20, 2020

TEDFORD HOUSING
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS	2020	2019
CURRENT ASSETS:		
Cash (Note B)	\$ 753,485	\$ 520,090
Accounts Receivable	85,955	89,790
Investments (Note C)	391,633	377,867
Prepaid Expenses	15,204	9,207
Total Current Assets	\$ 1,246,277	\$ 996,954
PROPERTY, PLANT, AND EQUIPMENT (NOTE D):		
Land	\$ 117,428	\$ 117,428
Buildings	5,852,164	5,852,164
Furniture, Fixtures, and Equipment	33,688	33,688
Leasehold Improvements	73,209	73,209
Total Property, Plant, and Equipment	\$ 6,076,489	\$ 6,076,489
Less: Accumulated Depreciation	1,818,637	1,668,730
Net Property, Plant, and Equipment	\$ 4,257,852	\$ 4,407,759
Total Assets	\$ 5,504,129	\$ 5,404,713
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Notes Payable - Current Portion (Note I)	\$ 144,068	\$ 15,468
Accounts Payable	3,318	6,904
Accrued Payroll and Taxes	46,540	48,350
Security Deposits	27,942	24,838
Deferred Revenue	173,238	148,759
Total Current Liabilities	\$ 395,106	\$ 244,319
LONG-TERM LIABILITIES:		
Notes Payable - Net of Current Portion (Note I)	2,968,920	3,563,137
Total Liabilities	\$ 3,364,026	\$ 3,807,456
NET ASSETS:		
Without Donor Restrictions	\$ 2,069,213	\$ 1,549,931
With Donor Restrictions	70,890	47,326
Total Net Assets	\$ 2,140,103	\$ 1,597,257
Total Liabilities and Net Assets	\$ 5,504,129	\$ 5,404,713

TEDFORD HOUSING
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2020	2019
PUBLIC SUPPORT AND REVENUE:				
Contributions	\$ 480,183	\$ -	\$ 480,183	\$ 422,607
Non Cash Debt Forgiveness	594,216		594,216	
State and Federal Grants	264,148		264,148	256,412
County and Municipal Support	10,575		10,575	7,650
United Way	84,626		84,626	86,630
Warm Thy Neighbor		59,190	59,190	35,294
ARC Contract	1,000		1,000	1,000
Interest and Dividends	9,628		9,628	9,538
Unrealized Appreciation	8,199		8,199	70,182
Rental Income (Note K)	353,213		353,213	302,377
Targeted Case Management	153,641		153,641	172,267
Supportive Housing	14,972		14,972	12,605
Gain (Loss) on Sale of Assets				(2,256)
Total Public Support and Revenue	\$ 1,974,401	\$ 59,190	\$ 2,033,591	\$ 1,374,306
EXPENSES:				
Program Services:				
Emergency Housing	\$ 509,824	\$ -	\$ 509,824	\$ 466,363
Homelessness Prevention	91,302	35,626	126,928	195,998
Supportive Housing	551,409		551,409	531,513
Total Program Services	\$ 1,152,535	\$ 35,626	\$ 1,188,161	\$ 1,193,874
Support Services:				
Management and General	\$ 225,284	\$ -	\$ 225,284	\$ 213,432
Fund Raising	77,300		77,300	99,153
Total Support Services	\$ 302,584	\$ -	\$ 302,584	\$ 312,585
Total Expenses	\$ 1,455,119	\$ 35,626	\$ 1,490,745	\$ 1,506,459
Increase Decrease in Net Assets	\$ 519,282	\$ 23,564	\$ 542,846	\$ (132,153)
Net Assets, July 1	1,549,931	47,326	1,597,257	1,729,410
Net Assets, June 30	\$ 2,069,213	\$ 70,890	\$ 2,140,103	\$ 1,597,257

TEDFORD HOUSING
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	EMERGENCY HOUSING	HOMELESSNESS PREVENTION	SUPPORTIVE HOUSING	MANAGEMENT AND GENERAL	FUND RAISING	2020 TOTALS	2019 TOTALS
Payroll and Related Taxes	\$ 297,644	\$ 48,098	\$ 74,070	\$ 145,508	\$ 51,701	\$ 617,021	\$ 634,511
Employee Health Benefits	37,268	6,985	7,025	11,685	8,731	71,694	97,363
Food	4,366					4,366	4,721
Client Services	12,519	15,604	1,945			30,068	28,413
Security Deposits/MRRA Rent		9,600				9,600	14,430
Rent	10,800			11,300		22,100	20,640
Utilities and Telephone	37,588	36,491	87,136	17,106	491	178,812	190,445
Supplies	16,075	732	3,478	12,818	7,986	41,089	23,903
Insurance	2,322		37,087	2,096		41,505	41,505
Miscellaneous	2,294	1,225	18,471	12,391	2,688	37,069	41,740
Consultants	10,962	8,193	5,655	9,972	2,463	37,245	45,233
Maintenance and Repairs	69,177		177,309	543	3,240	250,269	212,573
Depreciation	8,809		139,233	1,865		149,907	150,982
Total Expenses	<u>\$ 509,824</u>	<u>\$ 126,928</u>	<u>\$ 551,409</u>	<u>\$ 225,284</u>	<u>\$ 77,300</u>	<u>\$ 1,490,745</u>	<u>\$ 1,506,459</u>

TEDFORD HOUSING
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions	\$ 504,662	\$ 401,438
State and Federal Grants	267,983	282,969
County and Municipal Support	10,575	7,650
United Way	84,626	86,630
Warm Thy Neighbor	59,190	35,294
ARC Contract	1,000	1,000
Interest and Dividends	9,628	9,538
Rental Income	356,317	304,951
Targeted Case Management	153,641	172,267
Supportive Housing	14,972	12,605
	\$ 1,462,594	\$ 1,314,342
EXPENDITURES:		
Program Services	\$ 1,051,512	\$ 634,337
Support Services	300,719	735,423
	\$ 1,352,231	\$ 1,369,760
Net Cash Provided by (Used in) Operating Activities	\$ 110,363	\$ (55,418)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant, and Equipment	\$ -	\$ (3,400)
Purchase of Investments	(25,256)	74,195
Proceeds from Investments	19,688	3,251
	\$ (5,568)	\$ 74,046
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Debt	\$ -	\$ (15,468)
Loan Proceeds	128,600	
	\$ 128,600	\$ (15,468)
Increase in Cash	\$ 233,395	\$ 3,160
Cash Balance, July 1	520,090	516,930
Cash Balance, June 30	\$ 753,485	\$ 520,090
Increase (Decrease) in Net Assets (Exhibit B)	\$ 542,846	\$ (132,153)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation	149,907	150,982
Realized (Gain) Loss		2,256
Unrealized Capital (Gain) Loss	(8,199)	(70,182)
Non Cash Contributions	(594,216)	
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	3,835	26,557
(Increase) Decrease in Prepaid Expenses	(5,997)	(6,471)
Increase (Decrease) in Accounts Payable	(3,586)	(1,405)
Increase (Decrease) in Accrued Payroll and Taxes	(1,810)	(6,407)
Increase (Decrease) in Security Deposits	3,104	2,574
Increase (Decrease) in Deferred Revenue	24,479	(21,169)
Net Cash Provided by (Used in) Operating Activities	\$ 110,363	\$ (55,418)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid for Interest	\$ -	\$ -

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Nature of Activities

Tedford Housing, a nonprofit organization, located in Brunswick, Maine, is a multi-service social agency whose mission is to meet the basic needs of homeless people and help them become self-sufficient.

Tedford Housing maintains two shelters in Brunswick. Up to sixteen individuals can stay at 49 Cumberland Street, Brunswick and up to six families with children can stay in apartments located at 34 Federal Street in Brunswick.

Tedford Housing operates supportive housing at the following locations:

Evergreen Woods – Bath, Maine accommodates six families
Everett Street – Brunswick, Maine accommodates eight adults
Pleasant Street – Augusta, Maine accommodates two families
Gilbert Place – Bath, Maine accommodates five adults
Blake Street – Lewiston, Maine accommodates ten families
Pine Street – Auburn, Maine accommodates six adults

Tedford Housing is governed by a board of local volunteers.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred.

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions:

These are 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. These net assets may be used at the discretion of the Organization and the Board of Trustees.

Net Assets with Donor Restrictions:

These are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated at zero dollars as of June 30, 2020.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

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

Functional Allocation of Expenses

The costs of providing emergency shelter and other activities are summarized on the functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated between Tedford Housing and supporting services benefited.

Investments

Investments with readily determinable fair values are reported at their fair values in the Statement of Financial Position. Investments are valued with quoted market prices for the most current reflected fair values. Unrealized gains and losses are included in the change in net assets. Short-term investments consist of securities with original maturities of twelve months or less. Long-term investments consist of securities with original maturities greater than twelve months.

Land, Buildings, and Improvements

Land, buildings, and improvements are capitalized at amounts over \$1,000. Lesser amounts are expensed. Purchased land, buildings, and improvements are capitalized at cost. Donations of property, plant, and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless donor has proposed specific restrictions. Assets donated with proposed restrictions are reported as restricted contributions. Organization reports expirations of donor restrictions when restricted assets are placed in service. These assets are reclassified as unrestricted at that time. Property, plant, and equipment are depreciated using the straight-line method over the estimated useful lives ranging from five to thirty years.

Deferred Revenue

Deferred Revenue results from grant money that has not been spent as of the balance sheet date. Revenue is recognized only to the extent expenses were incurred.

Donated Services and Materials

Donated food is reflected in the accompanying statements as contributions with a like amount included in food expense at its estimated market value at date of receipt. The value of donated services is not included in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers donate approximately 50 hours per week of direct services. Volunteers have also donated significant amounts of their time in board activities.

Tax Exemption

Tedford Housing is a not-for-profit organization and is exempt from income taxes under §501(c)(3) of the Internal Revenue Code.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards (IFRS). The core principle of the guidance requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for all nonpublic entities with annual periods beginning after December 15, 2018. Management is currently evaluating the impact of adoption on its financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, Leases. This new standard will provide users of the financial statements a more accurate picture of the assets and the long-term financial obligations of companies that lease. The standard is for a dual-model approach; a lessee will account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both will be reported on the statement of financial position of the company for leases with a term exceeding 12 months. Lessors will see some changes, too, largely made to align with the revised lease model. For nonpublic companies, the new leasing standard will apply for fiscal years beginning after December 15, 2019. The standard requires retroactive application to previously issued financial statements for 2019 and 2018, if presented. Management is currently evaluating the impact of adoption on its financial statements.

Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities, to amend current reporting requirements to make several improvements including reducing complexities of information presented within not-for-profit financial statements. A main provision of this update is that a not-for-profit entity will report two classes of net assets (amounts for net assets with donor restrictions and net assets without donor restrictions), rather than the currently required three classes. The guidance is effective for annual periods beginning after December 15, 2017, with early application permitted. This standard requires retroactive application to previously issued financial statements for the fiscal years ending in 2020 and 2019, if presented. Management has implemented this statement in the current year financial statements.

Subsequent Events

After Tedford Housing's year end the community is still being impacted by the COVID-19 Virus. Tedford Housing has reviewed their operations and is currently evaluating the impact of the crisis on their operations. While there is a financial impact to Tedford Housing it is currently unknown the full extent this crisis will have on its operations and funding.

NOTE B - CASH AND CASH EQUIVALENTS:

The Organization's cash is categorized to give an indication of the level of risk assumed by the Organization at year-end. These categories are defined as follows:

Category #1 - Insured or collateralized with securities held by the Organization or by its agent in the Organization's name.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE B - CASH AND CASH EQUIVALENTS (CONT'D):

Category #2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Organization's name.

Category #3 - Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Organization's name).

ACCOUNT TYPE	CARRYING AMOUNT	BANK BALANCE	CATEGORY		
			#1	#2	#3
Interest Bearing Accounts	\$ 753,485	\$ 770,501	\$ 588,405	\$	\$ 182,096

NOTE C - INVESTMENTS:

The Organization's investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the Statements of Financial Position. Realized and unrealized gains and losses are included in the change in net assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income, and cost approaches.

Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumption about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation on the observability of the inputs used in the valuation techniques. The Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Pricing inputs are quoted prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Pricing inputs are observable for the assets or liabilities, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is derived principally from observable market data or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the assets or liabilities and include situations where there is little, if any, market activity. The inputs into the determination of fair value require significant judgment or estimation.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE C - INVESTMENTS (CONT'D):

The following tables summarizes the levels in the ASC 820-10 fair value hierarchy into which the Organization's financial instruments fall as of June 30, 2020:

Investments at Fair Value as of June 30, 2020

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 58,505	\$	\$	\$ 58,505
Mutual Funds	171,219			171,219
Corporate Bonds	33,439			33,439
Common Stock	128,470			128,470
Total	<u>\$ 391,633</u>	<u>\$</u>	<u>\$</u>	<u>\$ 391,633</u>

Investments at Fair Value as of June 30, 2019

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 70,047	\$	\$	\$ 70,047
Mutual Funds	154,510			154,510
Corporate Bonds	31,963			31,963
Common Stock	121,348			121,348
Total	<u>\$ 377,868</u>	<u>\$</u>	<u>\$</u>	<u>\$ 377,868</u>

The following summarizes investment returns and their classification in the statement of activities at year end:

	Year Ended June 30, 2020	Year Ended June 30, 2019
Interest and Dividends	\$ 8,568	\$ 8,550
Realized (Unrealized) Gains	8,204	70,182
Total Investment Return	<u>\$ 16,772</u>	<u>\$ 78,732</u>

The Organization's Investments as of June 30, 2020 and 2019 are stated at fair value. Shares of the investment account are valued at quoted market prices, which represent the net value of the shares held by the Organization at year end.

Investments as of June 30, 2020 consist of the Organization's:

	COST	FAIR VALUE	UNREALIZED APPRECIATION
Cash and Cash Equivalents	\$ 58,505	\$ 58,505	\$
Mutual Funds	172,529	171,219	(1,310)
Corporate Bonds	30,200	33,439	3,239
Common Stock	72,499	128,470	55,971
	<u>\$ 333,733</u>	<u>\$ 391,633</u>	<u>\$ 57,900</u>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE C - INVESTMENTS (CONT'D):

Investments as of June 30, 2019 consist of the Organization's:

	COST	FAIR VALUE	UNREALIZED APPRECIATION
Cash and Cash Equivalents	\$ 70,047	\$ 70,047	\$
Mutual Funds	151,681	154,510	2,829
Corporate Bonds	30,249	31,963	1,714
Common Stock	70,473	121,348	50,875
	<u>\$ 322,450</u>	<u>\$ 377,868</u>	<u>\$ 55,418</u>

NOTE D - PROPERTY, PLANT, AND EQUIPMENT:

Activity in fixed asset accounts for the year ended June 30, 2020 is as follows:

	BALANCE JULY 1, 2019	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2020
Land	\$ 117,428	\$	\$	\$ 117,428
Buildings	5,852,164			5,852,164
Furniture, Fixtures, and Equipment	33,688			33,688
Leasehold Improvements	73,209			73,209
Total Fixed Assets	\$ 6,076,489	\$	\$	\$ 6,076,489
Accumulated Depreciation	(1,668,730)	(149,907)		(1,818,637)
Fixed Assets Net of Accumulated Depreciation	<u>\$ 4,407,759</u>	<u>\$ (149,907)</u>	<u>\$</u>	<u>\$ 4,257,852</u>

NOTE E - DONATED MATERIALS:

The value of donated food, which is included as revenue and expense in the financial statements, is \$19,425 for the year ended June 30, 2020. The Organization also received donations of supplies for the year ended June 30, 2020 totaling \$9,414. In 2018 the value of the donated food was \$19,300 and the donated supplies were valued at \$9,275.

NOTE F - GRANTS:

State and Federal Grants include:

	2020	2019
Emergency Shelter Housing Assistance Payments - Operations	\$ 107,094	\$ 99,575
Emergency Shelter Housing Assistance Payments - Stabilization	115,189	85,958
Emergency Shelter Housing Assistance Payments - Performance	18,595	43,916
Midcoast Regional Redevelopment Authority		16,408
Maine Community Development Block Grant	11,151	10,555
Maine Housing - Special Emergency Funding	12,119	
	<u>\$ 264,148</u>	<u>\$ 256,412</u>

The Organization records income from grants in the period when it has incurred expenditures in compliance with the restrictions of the grantor.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE G - EMPLOYEE RETIREMENT BENEFITS:

Tedford Housing offers a Simple IRA with an employer-match to all employees after six months of continuous employment, provided that the Organization has sufficient resources. Employees may elect to have one, two, or three percent of wages matched by Tedford Housing towards the Simple IRA Retirement Savings Plan. The Plan is managed by American Funds. During the fiscal year ending June 30, 2020 employee contributions totaled \$14,361 and employer contributions totaled \$8,357. During the fiscal year ending June 30, 2019 employee contributions totaled \$23,569 and employer contributions totaled \$12,391.

NOTE H - RENT:

The Organization leases the land and building located at 34 Federal Street under a ten year operating lease. The current lease term expired on June 30, 2014 and was extended on a year to year basis. Annual rent is subject to change provided notice is given thirty days prior to each lease anniversary date. The rental rate for the 2020/2021 fiscal year is \$11,158. The rental rate for the 2019/2020 fiscal year was \$10,795.

The Organization also rents office space in Brunswick at a rental rate of \$10,200 annually. The additional rent paid, of \$7,337, was for client assisted rents in supported housing units. In 2019 the Organization paid \$5,334 for client assisted rents in supported housing units.

NOTE I - NOTES PAYABLE:

Notes payable as of June 30, 2020 consists of the following:

CREDITOR	INTEREST RATE	TYPE	SECURITY	TOTAL	SHORT- TERM	LONG- TERM
Maine State Housing Authority - Gilbert Place	0%	Mortgage	Land & Building	\$ 175,000	\$ 5,000	\$ 170,000
City of Bath - Evergreen Woods	0%	Mortgage	Land & Building	50,000		50,000
Maine State Housing Authority - Evergreen Woods	0%	Mortgage	Land & Building	345,036		345,036
Maine State Housing Authority - Everett Apartments	0%	Mortgage	Land & Building	301,078	5,055	296,023
Maine State Housing Authority - 114 Blake Street	0%	Mortgage	Land & Building	1,534,098		1,534,098
Maine State Housing Authority - 22 Pine Street	0%	Mortgage	Land & Building	372,564		372,564
Maine State Housing Authority - 19 Pleasant Street	0%	Mortgage	Land & Building	86,612	5,413	81,199
City of Auburn - 22 Pine Street	0%	Mortgage	Land & Building	120,000		120,000
Bath Savings Institution	5.00%	Line of Credit	Land & Building			
Bath Savings Institution - SBA Paycheck Protection Program	1.00%	Loan	Unsecured	128,600	128,600	
				<u>\$ 3,112,988</u>	<u>\$ 144,068</u>	<u>\$ 2,968,920</u>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE I - NOTES PAYABLE (CONT'D):

Estimated principal and interest payments for the next five years and thereafter are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ 144,068	\$	\$ 144,068
2022	15,468		15,468
2023	15,468		15,468
2024	15,468		15,468
2025	15,468		15,468
Thereafter	2,907,048		2,907,048
Total	<u>\$ 3,112,988</u>	<u>\$</u>	<u>\$ 3,112,988</u>

Maine State Housing Authority - Gilbert Place, Bath, Maine

In February 2005 Tedford Housing obtained a deferred loan and a forgivable loan from Maine State Housing Authority for the purchase and renovation of 500 Middle Street, Bath, Maine. The deferred loan of \$150,000 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or February 27, 2035.

The forgivable loan of \$250,000 is financed at 0% for 30 years. The loan will be forgiven as follows:

Twenty percent (20%) of the original principal balance was forgiven on the date that the mortgage was duly recorded in the Sagadahoc County Registry of Deeds. Forty percent (40%) of the original principal balance shall be forgiven 15 years from the date of the note. The remaining 40% of the original principal balance shall be forgiven 30 years from the date of the note.

City of Bath - Evergreen Woods, Bath, Maine

The deferred loan of \$50,000 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or February 17, 2035.

Maine State Housing Authority - Evergreen Woods, Bath, Maine

The forgivable loan of \$346,073 is financed at 0% for 30 years. The loan will be forgiven as follows:

Fifty percent (50%) of the original principal balance is forgiven at the end of 15 years from the time of execution of the permanent mortgage documents, and the remaining fifty percent (50%) of the original principal balance shall be forgiven 30 years from the time of execution of the permanent mortgage documents.

In September 2006 Tedford Housing obtained a deferred loan from Maine State Housing Authority for the acquisition and construction of property located on Edgett Street, Bath, Maine. The deferred loan of \$100,000 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or September 28, 2036.

The forgivable loan of \$180,000 is financed at 0% for 30 years. The loan will be forgiven as follows:

Twenty percent (20%) of the original principal balance was forgiven on the date of execution of the note. Forty percent (40%) of the original principal balance shall be forgiven 15 years following execution. The remaining forty percent (40%) of the original principal balance shall be forgiven 30 years following execution.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE I - NOTES PAYABLE (CONT'D):

The forgivable loan of \$103,329 is financed at 0% for 30 years. The loan will be forgiven as follows:

Twenty percent (20%) of the original principal balance was forgiven on the date of execution of the note. Forty percent (40%) of the original principal balance shall be forgiven 15 years following execution. The remaining forty percent (40%) of the original principal balance shall be forgiven 30 years following execution.

Maine State Housing Authority - Everett Apartments, Brunswick, Maine

The forgivable loan of \$619,900 is financed at 0% for 30 years. The loan will be forgiven as follows:

Twenty percent (20%) of the forgivable note of \$98,342 was forgiven at closing of the loan October 17, 2006. Forty percent (40%) of the \$98,342 is forgiven at 15 years from the original date of the note with the remaining forty percent (40%) forgiven 30 years from the date of the note.

Maine State Housing Authority - Everett Apartments, Brunswick, Maine (Cont'd)

The deferred portion of the note, \$151,657 will be due 30 years from the date of the loan closing.

The remaining \$369,901 of the forgivable note is forgiven in the following order: Fifty percent (50%) of the note is forgiven 15 years from the execution of the permanent mortgage and the remaining fifty percent (50%) will be forgiven 30 years from the time of execution of the permanent mortgage documents.

Maine State Housing Authority - 114 Blake Street, Lewiston, Maine

The deferred loan of \$880,620 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or July 8, 2040.

The deferred loan of \$260,000 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or December 23, 2039.

The deferred loan of \$393,479 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or December 23, 2039.

Maine State Housing Authority - 22 Pine Street, Auburn, Maine

The deferred loan of \$372,564 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or March 3, 2041.

Maine State Housing Authority - 19 Pleasant Street, Augusta, Maine

The deferred loan of \$162,398 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or November 28, 2037.

City of Auburn - 22 Pine Street, Auburn, Maine

The deferred loan of \$120,000 is financed at 0% for 30 years and becomes payable in full upon sale or transfer of the property, or March 3, 2041.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE I - NOTES PAYABLE (CONT'D):

Bath Savings Institution - Line of Credit

Tedford Housing was approved for a Working Capital Line of Credit in the amount of \$50,000 to provide funds for short term cash flow needs. Interest rate shall be adjusted daily based on Prime. The term of the loan shall be twelve months, renewed annually, with monthly interest payments and principal and unpaid interest due at maturity. Security for this loan shall be a valid first mortgage, assignment of rents, and UCC-1 financing statement on real estate known as 49 Cumberland Street, Brunswick, Maine.

Bath Savings Institution - SBA Paycheck Protection Program

On April 14, 2020 Tedford Housing received \$128,600 in Paycheck Protection Program funds. This loan from Bath Savings Institution has a forgivable portion that allows for a full loan forgiveness if Tedford Housing reaches a certain forgiveness threshold. The portion of the loan that is not forgivable is due within 5 years. As of the date of the issuance of the reports, the forgiveness portion of the loan cannot be calculated. The loan will be shown as a liability and will be recorded as revenue as the forgiveness portion of the loan is calculated.

NOTE J - RENTAL INCOME:

For fiscal year ended June 30, 2020 rental income was \$353,213 for the supportive housing program. For fiscal year ended June 30, 2019 rental income was \$302,377.

NOTE K - CONTRACTS:

On October 29, 2008 Tedford Housing entered into a contract with the Midcoast Regional Redevelopment Authority to provide services for homeless families in the Brunswick Naval Air Station redevelopment area. As part of the contract \$686,605 in funds (conveyance proceeds) will be held in trust for Tedford Housing to utilize for homeless programs. During fiscal year 2020, no funds were withdrawn for use in providing services for homeless families in the Brunswick Naval Air Station redevelopment area. For fiscal year 2019, \$16,408 in funds were withdrawn.

On January 1, 2012 Tedford Housing entered into a contract with LaBrecque Property Management LLC to manage their properties. LaBrecque Property Management LLC manages all properties (Franklin Apartments in Auburn, Pleasant Street in Augusta, Blake Street in Lewiston, Pine Street in Auburn, Everett Street in Brunswick, Gilbert Place in Bath, and Evergreen Woods in Bath) at a cost of \$85 per unit per month. Contracts are for one year and are renewed annually.

At the end of fiscal year 2019, Tedford Housing was no longer administering the Merrymeeting Project for Homeless Youth. Maine Department of Education funding for Merrymeeting was not renewed for the FY 19 and the program was forced to shut down. Just over a month after shutdown the Merrymeeting Project was revived under a new partnership with Midcoast Community Alliance.

On September 10, 2019 Housing Resources for Youth and Tedford Housing signed a memorandum of understanding where \$23,767.52 was distributed to Housing Resources for Youth and Tedford Housing was released from its role as fiscal agent for Housing Resource for Youth.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE L - INCOME TAXES:

The Organization is exempt from income taxes on related business income under Section 501(c)(3) of the Internal Revenue Code.

Tax-exempt organizations could incur income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the “more-likely-than-not” threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

NOTE M - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consists of the following at June 30, 2020:

Warm Thy Neighbor	\$ 70,890
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NOTE N - DEFERRED REVENUE:

As of June 30, 2020, deferred revenue consisted of the following:

Senter Fund	\$ 4,000
Hagget Fund - KID	1,766
United Way Midcoast Security	
Deposit/Rental Assistance Fund	8,676
People’s United Community Fund	3,405
Maine Women’s Giving Tree Fund	6,203
EGW Playground Fund	315
Moser Foundation Fund	10,000
John T. Gorman COVID-19	25,000
Sam Cohen Foundation	3,000
Capital Campaign Fund	81,958
Warm Thy Neighbor Fund	12,500
Guest Fees Fund	1,415
Haris Mathews	10,000
Atlantic Charitable Fund	5,000
Total	<u>\$ 173,238</u>