

TEDFORD HOUSING
TABLE OF CONTENTS
JUNE 30, 2021

Independent Auditors' Report

General Purpose Financial Statements

Exhibit

Statements of Financial Position

A

Statements of Activities

B

Statements of Functional Expenses

C

Statements of Cash Flows

D

Notes to Financial Statements

WILLIAM H. BREWER
Certified Public Accountant
858 Washington Street
P.O. Box 306
Bath, Maine 04530

(207) 443-9759

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, 2021 and 2020, 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, 2021 and 2020, 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

November 17, 2021

TEDFORD HOUSING
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS	2021	2020
CURRENT ASSETS:		
Cash (Note B)	\$ 836,692	\$ 753,485
Accounts Receivable	89,149	85,955
Investments (Note C)	484,897	391,633
Prepaid Expenses	16,190	15,204
Total Current Assets	\$ 1,426,928	\$ 1,246,277
PROPERTY, PLANT, AND EQUIPMENT (NOTE D):		
Land	\$ 147,428	\$ 117,428
Buildings	5,857,042	5,852,164
Furniture, Fixtures, and Equipment	40,137	33,688
Leasehold Improvements	73,209	73,209
Total Property, Plant, and Equipment	\$ 6,117,816	\$ 6,076,489
Less: Accumulated Depreciation	1,968,902	1,818,637
Net Property, Plant, and Equipment	\$ 4,148,914	\$ 4,257,852
Total Assets	\$ 5,575,842	\$ 5,504,129
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Notes Payable - Current Portion (Note I)	\$ 15,468	\$ 144,068
Accounts Payable	1,965	3,318
Accrued Payroll and Taxes	63,980	46,540
Security Deposits	28,271	27,942
Deferred Revenue	186,427	173,238
Total Current Liabilities	\$ 296,111	\$ 395,106
LONG-TERM LIABILITIES:		
Notes Payable - Net of Current Portion (Note I)	2,953,452	2,968,920
Total Liabilities	\$ 3,249,563	\$ 3,364,026
NET ASSETS:		
Without Donor Restrictions	\$ 2,203,749	\$ 2,069,213
With Donor Restrictions	122,530	70,890
Total Net Assets	\$ 2,326,279	\$ 2,140,103
Total Liabilities and Net Assets	\$ 5,575,842	\$ 5,504,129

TEDFORD HOUSING
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2021 TOTALS	2020 TOTALS
PUBLIC SUPPORT AND REVENUE:				
Contributions	\$ 529,710	\$ -	\$ 529,710	\$ 480,183
Non Cash Debt Forgiveness	15,468		15,468	594,216
State and Federal Grants	313,849		313,849	264,148
County and Municipal Support	17,725		17,725	10,575
United Way	85,827		85,827	84,626
Warm Thy Neighbor		82,685	82,685	59,190
ARC Contract	1,000		1,000	1,000
Interest and Dividends	9,234		9,234	9,628
Unrealized Appreciation	88,237		88,237	8,199
Rental Income (Note K)	369,696		369,696	353,213
Targeted Case Management	90,807		90,807	153,641
Supportive Housing	7,336		7,336	14,972
Assets Released from Restrictions	31,045	(31,045)		
Total Public Support and Revenue	\$ 1,559,934	\$ 51,640	\$ 1,611,574	\$ 2,033,591
EXPENSES:				
Program Services:				
Emergency Housing	\$ 555,241	\$ -	\$ 555,241	\$ 509,824
Homelessness Prevention	106,406		106,406	126,928
Supportive Housing	541,623		541,623	551,409
Total Program Services	\$ 1,203,270	\$ -	\$ 1,203,270	\$ 1,188,161
Support Services:				
Management and General	\$ 260,607	\$ -	\$ 260,607	\$ 225,284
Fund Raising	90,121		90,121	77,300
Total Support Services	\$ 350,728	\$ -	\$ 350,728	\$ 302,584
Total Expenses	\$ 1,553,998	\$ -	\$ 1,553,998	\$ 1,490,745
Increase (Decrease) in Net Assets	\$ 5,936	\$ 51,640	\$ 57,576	\$ 542,846
OTHER INCOME:				
PPP Loan Forgiveness	128,600		128,600	
Increase (Decrease) in Net Assets	\$ 134,536	\$ 51,640	\$ 186,176	\$ 542,846
Net Assets, July 1	2,069,213	70,890	2,140,103	1,597,257
Net Assets, June 30	\$ 2,203,749	\$ 122,530	\$ 2,326,279	\$ 2,682,949

TEDFORD HOUSING
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	EMERGENCY HOUSING	HOMELESSNESS PREVENTION	SUPPORTIVE HOUSING	MANAGEMENT AND GENERAL	FUND RAISING	2021 TOTALS	2020 TOTALS
Payroll and Related Taxes	\$ 317,487	\$ 43,859	\$ 60,305	\$ 184,684	\$ 49,101	\$ 655,436	\$ 617,021
Employee Health Benefits	38,837	2,007	1,740	16,282	629	59,495	71,694
Food	3,245					3,245	4,366
Client Services	4,316	16,047	1,299			21,662	30,068
Security Deposits/Rent Assistance		8,976				8,976	9,600
Rent	11,160			11,400		22,560	22,100
Utilities and Telephone	37,760	31,736	94,701	15,340	653	180,190	178,812
Supplies	34,918	951	4,720	4,425	10,320	55,334	41,089
Insurance	2,634		42,584	3,848		49,066	41,505
Miscellaneous	1,373	1,684	17,746	13,734	1,854	36,391	37,069
Consultants	12,410	986	3,880	8,317	24,884	50,477	37,245
Maintenance and Repairs	81,648	160	174,985	1,428	2,680	260,901	250,269
Depreciation	9,453		139,663	1,149		150,265	149,907
Total Expenses	<u>\$ 555,241</u>	<u>\$ 106,406</u>	<u>\$ 541,623</u>	<u>\$ 260,607</u>	<u>\$ 90,121</u>	<u>\$ 1,553,998</u>	<u>\$ 1,490,745</u>

TEDFORD HOUSING
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions	\$ 602,967	\$ 504,662
State and Federal Grants	313,849	267,983
County and Municipal Support	17,725	10,575
United Way	31,735	84,626
Warm Thy Neighbor	82,685	59,190
ARC Contract	1,000	1,000
Interest and Dividends	9,234	9,628
Rental Income	362,930	356,317
Targeted Case Management	88,393	153,641
Supportive Housing	7,336	14,972
Loan Forgiveness	128,600	
	\$ 1,646,454	\$ 1,462,594
EXPENDITURES:		
Program Services	\$ 1,038,714	\$ 1,051,512
Support Services	349,579	300,719
	\$ 1,388,293	\$ 1,352,231
Net Cash Provided by (Used in) Operating Activities	\$ 258,161	\$ 110,363
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant, and Equipment	\$ (41,327)	\$ -
Purchase of Investments	(8,675)	(25,256)
Proceeds from Investments	3,648	19,688
	\$ (46,354)	\$ (5,568)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Debt	\$ (128,600)	\$ -
Loan Proceeds		128,600
	\$ (128,600)	\$ 128,600
Increase in Cash	\$ 83,207	\$ 233,395
Cash Balance, July 1	753,485	520,090
Cash Balance, June 30	\$ 836,692	\$ 753,485
Increase (Decrease) in Net Assets (Exhibit B)	\$ 186,176	\$ 542,846
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation	150,265	149,907
Unrealized Capital (Gain) Loss	(88,237)	(8,199)
Non Cash Contributions	(15,468)	(594,216)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(3,194)	3,835
(Increase) Decrease in Prepaid Expenses	(986)	(5,997)
Increase (Decrease) in Accounts Payable	(1,353)	(3,586)
Increase (Decrease) in Accrued Payroll and Taxes	17,440	(1,810)
Increase (Decrease) in Security Deposits	329	3,104
Increase (Decrease) in Deferred Revenue	13,189	24,479
Net Cash Provided by (Used in) Operating Activities	\$ 258,161	\$ 110,363
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid for Interest	\$ -	\$ -

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 Directors.

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, 2021.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021

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

Recent Accounting Pronouncements

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, 2021. The standard requires retroactive application to previously issued financial statements for 2020 and 2021, if presented. Management is currently evaluating the impact of adoption on its financial statements.

Contributed Nonfinancial Assets

In September, 2020, FASB issued ASU update No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This new standard will increase the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure to include disaggregation of contributed nonfinancial assets and qualitative information about the use of these assets as well as descriptions regarding restrictions, valuation techniques and fair value measurement. The new standard applies for years beginning after June 30, 2021. Management does not expect any significant impact on its financial statements.

Subsequent Events

As of November 17, 2021, the date the financial statements were available to be issued, management has reviewed events after June 30, 2021 and determined there were no material events requiring disclosure.

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.

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	\$ 836,692	\$ 880,011	\$ 524,258	\$ 325,197	\$ 30,556

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 assumptions 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.

The following tables summarize the levels in the ASC 820-10 fair value hierarchy into which the Organization's financial instruments fall as of June 30, 2021:

Investments at Fair Value as of June 30, 2021

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 21,706	\$	\$	\$ 21,706
Mutual Funds	153,478			153,478
Corporate Bonds	131,215			131,215
Common Stock	178,498			178,498
Total	<u>\$ 484,897</u>	<u>\$</u>	<u>\$</u>	<u>\$ 484,897</u>

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>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE C - INVESTMENTS (CONT'D):

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

	Year Ended June 30, 2021	Year Ended June 30, 2020
Interest and Dividends	\$ 8,600	\$ 8,568
Realized (Unrealized) Gains	88,300	8,204
Total Investment Return	<u>\$ 96,911</u>	<u>\$ 16,772</u>

The Organization's Investments as of June 30, 2021 and 2020 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, 2021 consist of the Organization's:

	COST	FAIR VALUE	UNREALIZED APPRECIATION
Cash and Cash Equivalents	\$ 21,706	\$ 21,706	\$
Mutual Funds	112,423	153,478	41,055
Corporate Bonds	125,280	131,215	5,935
Common Stock	84,672	178,498	93,826
	<u>\$ 344,081</u>	<u>\$ 484,897</u>	<u>\$ 140,816</u>

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>

NOTE D - PROPERTY, PLANT, AND EQUIPMENT:

Activity in fixed asset accounts for the year ended June 30, 2021 is as follows:

	BALANCE JULY 1, 2020	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2021
Land	\$ 117,428	\$ 30,000	\$	\$ 147,428
Buildings	5,852,164	4,878		5,857,042
Furniture, Fixtures, and Equipment	33,688	6,449		40,137
Leasehold Improvements	73,209			73,209
Total Fixed Assets	<u>\$ 6,076,489</u>	<u>\$ 41,327</u>	<u>\$</u>	<u>\$ 6,117,816</u>
Accumulated Depreciation	(1,818,637)	(150,265)		(1,960,902)
Fixed Assets Net of Accumulated Depreciation	<u>\$ 4,257,852</u>	<u>\$ (108,938)</u>	<u>\$</u>	<u>\$ 4,148,914</u>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE E - DONATED MATERIALS:

The value of donated food, which is included as revenue and expense in the financial statements, is \$19,600 for the year ended June 30, 2021. The Organization also received donations of supplies for the year ended June 30, 2021 totaling \$9,517. In 2019 the value of the donated food was \$19,425 and the donated supplies were valued at \$9,414.

NOTE F - GRANTS:

State and Federal Grants include:

	<u>2021</u>	<u>2020</u>
Emergency Shelter Housing Assistance Payments - Operations	\$ 113,568	\$ 107,094
Emergency Shelter Housing Assistance Payments - Stabilization	105,826	115,189
Emergency Shelter Housing Assistance Payments - Performance	15,059	18,595
Maine Community Development Block Grant	13,580	11,151
Maine Housing - Special Emergency Funding	<u>65,816</u>	<u>12,119</u>
	<u>\$ 313,849</u>	<u>\$ 264,148</u>

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

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, 2021 employee contributions totaled \$12,408 and employer contributions totaled \$9,869. During the fiscal year ending June 30, 2020 employee contributions totaled \$14,361 and employer contributions totaled \$8,357.

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 2021/2022 fiscal year is \$11,534. The rental rate for the 2020/2021 fiscal year was \$11,158.

The Organization also rents office space in Brunswick at a rental rate of \$10,200 annually. The additional rent paid of \$3,915, was for client assisted rents in supported housing units.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE I - NOTES PAYABLE:

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

CREDITOR	INTEREST RATE	TYPE	SECURITY	TOTAL	SHORT-TERM	LONG-TERM
Maine State Housing Authority - Gilbert Place	0%	Mortgage	Land & Building	\$ 170,000	\$ 5,000	\$ 165,000
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	296,023	5,055	290,968
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	81,199	5,413	75,786
City of Auburn - 22 Pine Street	0%	Mortgage	Land & Building	120,000		120,000
Bath Savings Institution	5.00%	Line of Credit	Land & Building	-0-	-0-	-0-
Bath Savings Institution - SBA Paycheck Protection Program	1.00%	Loan	Unsecured	-0-	-0-	-0-
				<u>\$ 2,968,920</u>	<u>\$ 15,468</u>	<u>\$ 2,953,452</u>

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

	PRINCIPAL	INTEREST	TOTAL
2021	\$ 15,468	\$	\$ 15,468
2022	15,468		15,468
2023	15,468		15,468
2024	15,468		15,468
2025	15,468		15,468
Thereafter	2,891,580		2,891,580
Total	<u>\$ 2,968,920</u>	<u>\$</u>	<u>\$ 2,968,920</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.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE I - NOTES PAYABLE (CONT'D):

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.

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.

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.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE I - NOTES PAYABLE (CONT'D):

Maine State Housing Authority - 114 Blake Street, Lewiston, Maine (Cont'd)

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.

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 loan was 100% forgiven and is reported as other income.

NOTE J - RENTAL INCOME:

For fiscal year ended June 30, 2021 rental income was \$369,696 for the supportive housing program. For fiscal year ended June 30, 2020 rental income was \$353,213.

NOTE K - CONTRACTS:

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.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021:

Warm Thy Neighbor	\$ 122,530
-------------------	------------

NOTE N - DEFERRED REVENUE:

As of June 30, 2021, deferred revenue consisted of the following:

Hagget Fund - KID	\$ 1,279
United Way Midcoast Security - COVID/Deposit/Rental Assistance	2,800
Maine Women’s Giving Tree Client	6,364
People’s United	700
Androscoggin Maine Street Foundation	5,000
Roger Walker Fund	3,000
Davenport Special Deposit/Assistance Fund	5,000
Caroline Eliot Rental/Security Fund	10,081
Cohen Grant - Various	6,667
Harris Mathews	15,000
John T. Gorman	20,000
Moser Foundation	10,000
Capital Campaign Fund	49,560
Diversions	50,167
Guest Fees Fund	809
	\$ 186,427

NOTE O - OPTION AGREEMENT:

On January 6, 2021 Tedford Housing entered into an agreement to purchase property at 59 Thomas Point Road in Brunswick, Maine. The agreement required an initial deposit of \$10,000 at the execution of the agreement and an additional \$20,000 is due prior to the expiration of the initial six-month term and becomes non-returnable. The remainder of the contract price is due at closing. The agreement terminates two years after execution of the contract.