

TEDFORD HOUSING
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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

Opinion

We have audited the accompanying financial statements of Tedford Housing (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tedford Housing and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tedford Housing's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tedford Housing's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tedford Housing's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Bath, Maine



October 18, 2023

TEDFORD HOUSING
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS:		
Cash (Note B)	\$ 1,948,742	\$ 1,137,442
Accounts Receivable	83,982	78,348
Investments (Note C)	444,209	406,160
Prepaid Expenses	22,321	26,825
Total Current Assets	\$ 2,499,254	\$ 1,648,775
PROPERTY, PLANT, AND EQUIPMENT (NOTE D):		
Land	\$ 167,428	\$ 167,428
Buildings	6,784,487	6,424,273
Furniture, Fixtures, and Equipment	44,044	40,137
Leasehold Improvements	73,209	73,209
Total Property, Plant, and Equipment	\$ 7,069,168	\$ 6,705,047
Less: Accumulated Depreciation	2,285,662	2,119,030
Net Property, Plant, and Equipment	\$ 4,783,506	\$ 4,586,017
Total Assets	\$ 7,282,760	\$ 6,234,792
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Notes Payable - Current Portion (Note I)	\$ 15,468	\$ 424,012
Accounts Payable	5,098	9,548
Accrued Payroll and Taxes	63,824	65,300
Security Deposits	27,820	27,573
Deferred Revenue	1,336,427	474,319
Total Current Liabilities	\$ 1,448,637	\$ 1,000,752
LONG-TERM LIABILITIES:		
Notes Payable - Net of Current Portion (Note I)	2,922,515	2,937,983
Total Liabilities	\$ 4,371,152	\$ 3,938,735
NET ASSETS:		
Without Donor Restrictions	\$ 2,797,753	\$ 2,157,130
With Donor Restrictions	113,855	138,927
Total Net Assets	\$ 2,911,608	\$ 2,296,057
Total Liabilities and Net Assets	\$ 7,282,760	\$ 6,234,792

TEDFORD HOUSING
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2023 TOTALS	2022 TOTALS
PUBLIC SUPPORT AND REVENUE:				
Contributions of Cash and Other				
Financial Assets	\$ 492,487	\$ -	\$ 492,487	\$ 614,560
Contributions of Cash and Other		639,343	639,343	
Financial Assets - Capital Campaign				
Non Cash Debt Forgiveness	15,469		15,469	15,468
State and Federal Grants	577,673		577,673	429,547
County and Municipal Support	18,225		18,225	17,725
United Way	117,224		117,224	89,153
Warm Thy Neighbor		51,843	51,843	65,209
ARC Contract	1,000		1,000	1,000
Interest and Dividends	17,279		17,279	9,421
Unrealized Appreciation (Depreciation)	31,284		31,284	(67,222)
Rental Income (Note J)	365,425		365,425	374,595
Targeted Case Management	63,204		63,204	65,718
HUD Supporting Services	16,209		16,209	9,849
Assets Released from Restrictions	76,915	(76,915)		
Assets Released from Restrictions - Capital Campaign	639,343	(639,343)		
Total Public Support and Revenue	\$ 2,431,737	\$ (25,072)	\$ 2,406,665	\$ 1,625,023
EXPENSES:				
Program Services:				
Emergency Housing	\$ 530,033	\$ -	\$ 530,033	\$ 585,833
Homelessness Prevention	222,620		222,620	136,021
Supportive Housing	601,965		601,965	575,797
Total Program Services	\$ 1,354,618	\$ -	\$ 1,354,618	\$ 1,297,651
Support Services:				
Management and General	\$ 259,921	\$ -	\$ 259,921	\$ 269,845
Fund Raising	176,575		176,575	87,749
Total Support Services	\$ 436,496	\$ -	\$ 436,496	\$ 357,594
Total Expenses	\$ 1,791,114	\$ -	\$ 1,791,114	\$ 1,655,245
Increase (Decrease) in Net Assets	\$ 640,623	\$ (25,072)	\$ 615,551	\$ (30,222)
Net Assets, July 1	2,157,130	138,927	2,296,057	2,326,279
Net Assets, June 30	\$ 2,797,753	\$ 113,855	\$ 2,911,608	\$ 2,296,057

TEDFORD HOUSING
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	EMERGENCY HOUSING	HOMELESSNESS PREVENTION	SUPPORTIVE HOUSING	MANAGEMENT AND GENERAL	FUND RAISING	2023 TOTALS	2022 TOTALS
Payroll and Related Taxes	\$ 354,970	\$ 54,573	\$ 62,695	\$ 164,507	\$ 67,120	\$ 703,865	\$ 698,882
Employee Health Benefits	16,028	4,220	7,345	23,102	4,560	55,255	71,605
Food	6,497					6,497	4,470
Client Services	65	71,578	408			72,051	38,839
Security Deposits/Rent Assistance		9,600				9,600	9,600
Rent	11,928			11,400		23,328	22,932
Utilities and Telephone	45,582	77,985	134,646	18,299	1,426	277,938	219,564
Supplies	12,658	1,996	2,935	5,472	11,380	34,441	31,926
Insurance	3,049		49,296	8,595		60,940	49,908
Miscellaneous	952	1,923	19,128	17,401	15,314	54,718	42,393
Consultants	5,972	225	1,325	10,986	43,223	61,731	50,035
Maintenance and Repairs	60,322	520	185,980	85	485	247,392	264,962
Depreciation	12,010		138,207	74	16,341	166,632	150,129
Interest Expense					16,726	16,726	
Total Expenses	<u>\$ 530,033</u>	<u>\$ 222,620</u>	<u>\$ 601,965</u>	<u>\$ 259,921</u>	<u>\$ 176,575</u>	<u>\$ 1,791,114</u>	<u>\$ 1,655,245</u>

TEDFORD HOUSING
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions	\$ 1,988,551	\$ 913,253
State and Federal Grants	577,673	429,547
County and Municipal Support	18,225	17,725
United Way	117,224	89,153
Warm Thy Neighbor	51,843	65,209
ARC Contract	1,000	1,000
Interest and Dividends	17,279	9,421
Rental Income	365,425	374,595
Targeted Case Management	63,204	65,718
Supportive Housing	16,209	9,849
	\$ 3,216,633	\$ 1,975,470
EXPENDITURES:		
Program Services	\$ 1,205,823	\$ 1,150,148
Support Services	420,081	357,398
	\$ 1,625,904	\$ 1,507,546
Net Cash Provided by Operating Activities	\$ 1,590,729	\$ 467,924
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant, and Equipment	\$ (364,121)	\$ (587,231)
Purchase of Investments	(44,843)	(7,882)
Proceeds from Investments	38,078	19,396
	\$ (370,886)	\$ (575,717)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Debt	\$ (408,543)	\$ (1,457)
Loan Proceeds		410,000
	\$ (408,543)	\$ 408,543
Increase in Cash	\$ 811,300	\$ 300,750
Cash Balance, July 1	1,137,442	836,692
Cash Balance, June 30	\$ 1,948,742	\$ 1,137,442
Increase (Decrease) in Net Assets (Exhibit B)	\$ 615,551	\$ (30,222)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation	166,632	150,129
Unrealized Capital (Gain) Loss	(31,284)	67,222
Non Cash Contributions	(15,469)	(15,468)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(5,634)	10,801
(Increase) Decrease in Prepaid Expenses	4,504	(10,635)
Increase (Decrease) in Accounts Payable	(4,450)	7,583
Increase (Decrease) in Accrued Payroll and Taxes	(1,476)	1,320
Increase (Decrease) in Security Deposits	247	(698)
Increase (Decrease) in Deferred Revenue	862,108	287,892
Net Cash Provided by Operating Activities	\$ 1,590,729	\$ 467,924
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid for Interest	\$ 16,726	\$ 1,787

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 the donor has proposed specific restrictions. Assets donated with proposed restrictions are reported as restricted contributions. The 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.

Gifts-in-Kind, Donated Services, and Commodities

The Organization receives various forms of gift-in-kind (GIK) including media, food and non-food items such as books and household goods, in-kind services, pharmaceuticals and medical supplies, and cryptocurrency. GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated GIK are not sold and goods are only distributed for program use. Cryptocurrency is held only until sold by a third-party crypto donation platform.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

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.

Recent Accounting Pronouncements

We have considered all new accounting pronouncements and have concluded there are no new pronouncements that may have a material impact on our results of operations, financial condition, or cash flows, based on current information.

Implementation of New 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 2019, if presented. There was no significant impact of adoption on the financial statements.

Subsequent Events

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statement.

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	\$ 1,948,742	\$ 1,968,450	\$ 1,111,863	\$ 856,587	\$

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023:

Investments at Fair Value as of June 30, 2023

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 58,815	\$	\$	\$ 58,815
Mutual Funds	211,869			211,869
Corporate Bonds		19,399		19,399
Common Stock	154,126			154,126
Total	<u>\$ 424,810</u>	<u>\$ 19,399</u>	<u>\$</u>	<u>\$ 444,209</u>

Investments at Fair Value as of June 30, 2022

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 58,738	\$	\$	\$ 58,738
Mutual Funds	203,019			203,019
Corporate Bonds		19,963		19,963
Common Stock	124,412			124,412
Total	<u>\$ 386,169</u>	<u>\$ 19,963</u>	<u>\$</u>	<u>\$ 406,132</u>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023	Year Ended June 30, 2022
Interest and Dividends	\$ 9,937	\$ 8,563
Realized (Unrealized) Gains	31,523	(67,106)
Total Investment Return	<u>\$ 41,460</u>	<u>\$ (58,543)</u>

The Organization's Investments as of June 30, 2023 and 2022 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, 2023 consist of the Organization's:

	COST	FAIR VALUE	UNREALIZED APPRECIATION
Cash and Cash Equivalents	\$ 60,834	\$ 58,815	\$ (2,019)
Mutual Funds	204,524	211,869	7,345
Corporate Bonds	20,102	19,399	(703)
Common Stock	81,543	154,126	72,583
	<u>\$ 367,003</u>	<u>\$ 444,209</u>	<u>\$ 77,206</u>

Investments as of June 30, 2022 consist of the Organization's:

	COST	FAIR VALUE	UNREALIZED APPRECIATION
Cash and Cash Equivalents	\$ 58,738	\$ 58,738	\$
Mutual Funds	205,160	203,019	(2,141)
Corporate Bonds	20,106	19,963	(143)
Common Stock	74,233	124,412	50,179
	<u>\$ 358,237</u>	<u>\$ 406,132</u>	<u>\$ 47,895</u>

NOTE D - PROPERTY, PLANT, AND EQUIPMENT:

Activity in fixed asset accounts for the year ended June 30, 2023 is as follows:

	BALANCE JULY 1, 2022	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2023
Land	\$ 167,428	\$	\$	\$ 167,428
Buildings	6,424,273	360,214		6,784,487
Furniture, Fixtures, and Equipment	40,137	3,907		44,044
Leasehold Improvements	73,209			73,209
Total Fixed Assets	<u>\$ 6,705,047</u>	<u>\$ 364,121</u>	<u>\$</u>	<u>\$ 7,069,168</u>
Accumulated Depreciation	(2,119,030)	(166,632)		(2,285,662)
Fixed Assets Net of Accumulated Depreciation	<u>\$ 4,586,017</u>	<u>\$ 197,489</u>	<u>\$</u>	<u>\$ 4,783,506</u>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE E - DONATED GOODS AND SERVICES:

The value of donated food, which is included as revenue and expense in the financial statements, is \$21,000 for the year ended June 30, 2023. The Organization also received donations of supplies for the year ended June 30, 2023 totaling \$13,250. In 2022 the value of the donated food was \$19,950 and the donated supplies were valued at \$13,225.

NOTE F - GRANTS:

State and Federal Grants include:

	2023	2022
Emergency Shelter Housing Assistance Payments - Operations	\$ 117,385	\$ 115,851
Emergency Shelter Housing Assistance Payments - Stabilization	128,279	125,565
Emergency Shelter Housing Assistance Payments - Performance	24,593	19,922
Maine Community Development Block Grant		7,000
Maine Housing - Special Emergency Funding	54,145	82,065
Maine Housing - New Facility Grant - ARPA Funding	227,662	63,335
MARRA Trust Fund	25,609	15,809
	<u>\$ 577,673</u>	<u>\$ 429,547</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, 2023 employee contributions totaled \$15,049 and employer contributions totaled \$10,065. During the fiscal year ending June 30, 2022 employee contributions totaled \$15,204 and employer contributions totaled \$10,833.

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 2023/2024 fiscal year is \$13,128. The rental rate for the 2022/2023 fiscal year was \$11,928.

The Organization also rents office space in Brunswick at a rental rate of \$10,200 annually. The additional rent paid of \$8,244, was for client assisted rents made through Tedford Housings Homeless Prevention Program.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE I - NOTES PAYABLE:

Notes payable as of June 30, 2023 consists of the following:

CREDITOR	INTEREST RATE	TYPE	SECURITY	TOTAL	SHORT- TERM	LONG- TERM
Maine State Housing Authority - Gilbert Place	0%	Mortgage	Land & Building	\$ 160,000	\$ 5,000	\$ 155,000
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	285,912	5,055	280,857
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	70,373	5,413	64,960
City of Auburn - 22 Pine Street	0%	Mortgage	Land & Building	120,000		120,000
Bath Savings Institution	5.00%	Line of Credit	Land & Building			
				<u>\$ 2,937,983</u>	<u>\$ 15,468</u>	<u>\$ 2,922,515</u>

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

	PRINCIPAL	INTEREST	TOTAL
2024	\$ 15,468	\$	\$ 15,468
2025	15,469		15,469
2026	15,468		15,468
2027	15,469		15,469
2028	15,468		15,468
Thereafter	2,860,641		2,860,641
Total	<u>\$ 2,937,983</u>	<u>\$</u>	<u>\$ 2,937,983</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, 2023

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.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE I - NOTES PAYABLE (CONT'D):

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.

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.

Genesis Fund - Thomas Point Project

On May 20, 2022 Tedford Housing received \$410,000 in financing to purchase property on Thomas Point Road in Brunswick upon which Tedford Housing plans to construct an emergency housing shelter. Interest is fixed at 5.25%. The loan was paid in full during the fiscal year.

NOTE J - RENTAL INCOME:

For fiscal year ended June 30, 2023 rental income was \$365,425 for the supportive housing program. For fiscal year ended June 30, 2022 rental income was \$374,595.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.

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, 2023:

Warm Thy Neighbor	\$	113,855
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NOTE N - DEFERRED REVENUE:

As of June 30, 2023, deferred revenue consisted of the following:

Maine Women’s Giving Tree Client	\$	5,531
Davenport Special Deposit/Assistance Fund		85
Midcoast Charitable MRRA		3,254
John T. Gorman		20,000
Moser Foundation		10,000
Doree Taylor		3,000
Capital Campaign Fund		1,209,381
Maine Housing ARPA Funds		71,104
Diversion Funds		14,072
		<u>\$ 1,336,427</u>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE O - CAPITAL CAMPAIGN PLEDGES:

At June 30, 2023 the organization had \$2,434,281 in pledges due on the capital campaign for the new emergency housing shelter. Pledges are due in the following fiscal years. Based on prior collections the amount the organization anticipates collecting all of the pledges. Pledges total the following:

2023	\$ 212,765
2024	2,070,671
2025	<u>150,845</u>
	<u>\$ 2,434,281</u>