

TEDFORD HOUSING
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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, 2024 and 2023, 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, 2024 and 2023, 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 10, 2024

TEDFORD HOUSING
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash (Note B)	\$ 4,219,607	\$ 1,948,742
Accounts Receivable	87,773	83,982
Investments (Note C)	486,106	444,209
Prepaid Expenses	26,869	22,321
Total Current Assets	\$ 4,820,355	\$ 2,499,254
RIGHT OF USE ASSETS:		
Operating	\$ 72,450	\$ 83,153
PROPERTY, PLANT, AND EQUIPMENT (NOTE D):		
Land	\$ 167,428	\$ 167,428
Buildings	6,940,778	6,784,487
Furniture, Fixtures, and Equipment	44,044	44,044
Leasehold Improvements	73,209	73,209
Total Property, Plant, and Equipment	\$ 7,225,459	\$ 7,069,168
Less: Accumulated Depreciation	2,458,965	2,285,662
Net Property, Plant, and Equipment	\$ 4,766,494	\$ 4,783,506
Total Assets	\$ 9,659,299	\$ 7,365,913
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Notes Payable - Current Portion (Note K)	\$ 15,468	\$ 15,468
Lease Liabilities - Current Portion	10,324	9,552
Accounts Payable	28,492	5,098
Accrued Payroll and Taxes	67,780	63,824
Security Deposits	28,985	27,820
Deferred Revenue	3,454,858	1,336,427
Total Current Liabilities	\$ 3,605,907	\$ 1,458,189
LONG-TERM LIABILITIES:		
Notes Payable - Net of Current Portion (Note K)	\$ 2,907,047	\$ 2,922,515
Lease Liabilities - Net of Current Portion	64,837	75,161
Total Long-Term Liabilities	\$ 2,971,884	\$ 2,997,676
Total Liabilities	\$ 6,577,791	\$ 4,455,865
NET ASSETS:		
Without Donor Restrictions	\$ 2,983,634	\$ 2,796,193
With Donor Restrictions	97,874	113,855
Total Net Assets	\$ 3,081,508	\$ 2,910,048
Total Liabilities and Net Assets	\$ 9,659,299	\$ 7,365,913

TEDFORD HOUSING
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2024 TOTALS	2023 TOTALS
PUBLIC SUPPORT AND REVENUE:				
Contributions of Cash and Other				
Financial Assets	\$ 663,066	\$ -	\$ 663,066	\$ 492,487
Contributions of Cash and Other				
Financial Assets - Capital Campaign		182,657	182,657	639,343
Non Cash Debt Forgiveness	15,469		15,469	15,469
State and Federal Grants	433,397		433,397	577,673
County and Municipal Support	17,975		17,975	18,225
United Way	83,255		83,255	117,224
Warm Thy Neighbor		45,931	45,931	51,843
ARC Contract	1,000		1,000	1,000
Interest and Dividends	83,369		83,369	17,279
Unrealized Appreciation (Depreciation)	33,908		33,908	31,284
Rental Income (Note L)	392,178		392,178	365,425
Targeted Case Management	61,203		61,203	63,204
HUD Supporting Services	15,989		15,989	16,209
Fundraising	3,622		3,622	
Assets Released from Restrictions	61,912	(61,912)		
Assets Released from Restrictions - Capital Campaign	182,657	(182,657)		
Total Public Support and Revenue	\$ 2,049,000	\$ (15,981)	\$ 2,033,019	\$ 2,406,665
EXPENSES:				
Program Services:				
Emergency Housing	\$ 578,773	\$ -	\$ 578,773	\$ 531,593
Homelessness Prevention	152,387		152,387	222,620
Supportive Housing	635,618		635,618	601,965
Total Program Services	\$ 1,366,778	\$ -	\$ 1,366,778	\$ 1,356,178
Support Services:				
Management and General	\$ 299,794	\$ -	\$ 299,794	\$ 259,921
Fund Raising	194,987		194,987	176,575
Total Support Services	\$ 494,781	\$ -	\$ 494,781	\$ 436,496
Total Expenses	\$ 1,861,559	\$ -	\$ 1,861,559	\$ 1,792,674
Increase (Decrease) in Net Assets	\$ 187,441	\$ (15,981)	\$ 171,460	\$ 613,991
Net Assets, July 1	2,796,193	113,855	2,910,048	2,296,057
Net Assets, June 30	\$ 2,983,634	\$ 97,874	\$ 3,081,508	\$ 2,910,048

TEDFORD HOUSING
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	EMERGENCY HOUSING	HOMELESSNESS PREVENTION	SUPPORTIVE HOUSING	MANAGEMENT AND GENERAL	FUND RAISING	2024 TOTALS	2023 TOTALS
Payroll and Related Taxes	\$ 368,631	\$ 40,078	\$ 60,334	\$ 196,785	\$ 92,097	\$ 757,925	\$ 703,865
Employee Health Benefits	18,070	2,370	5,883	15,976	2,369	44,668	55,255
Food	8,432					8,432	6,497
Client Services	149	34,889	8,395			43,433	72,051
Security Deposits/Rent Assistance		9,600				9,600	9,600
Rent	12,935			11,952		24,887	24,889
Utilities and Telephone	46,788	62,431	138,083	17,769	1,441	266,512	277,938
Supplies	24,179	987	8,678	11,292	3,522	48,658	34,441
Insurance	4,542		65,592	7,967		78,101	60,940
Miscellaneous	2,568	620	20,965	22,398	33,324	79,875	54,718
Consultants	17,443	1,412	5,927	11,649	36,379	72,810	61,731
Maintenance and Repairs	63,917		184,614	2,996	1,827	253,354	247,392
Depreciation	11,119		137,147	1,010	24,028	173,304	166,632
Interest Expense							16,726
Total Expenses	<u>\$ 578,773</u>	<u>\$ 152,387</u>	<u>\$ 635,618</u>	<u>\$ 299,794</u>	<u>\$ 194,987</u>	<u>\$ 1,861,559</u>	<u>\$ 1,792,675</u>

TEDFORD HOUSING
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions	\$ 2,960,364	\$ 1,988,551
State and Federal Grants	433,397	577,673
County and Municipal Support	17,975	18,225
United Way	83,255	117,224
Warm Thy Neighbor	45,931	51,843
ARC Contract	1,000	1,000
Interest and Dividends	83,369	17,279
Rental Income	392,178	365,425
Targeted Case Management	61,203	63,204
Supportive Housing	15,989	16,209
Fundraising	3,622	
Total Receipts	\$ 4,098,283	\$ 3,216,633
EXPENDITURES:		
Program Services	\$ 1,183,842	\$ 1,196,999
Support Services	469,743	420,081
Total Disbursements	\$ 1,653,585	\$ 1,617,080
Net Cash Provided by Operating Activities	\$ 2,444,698	\$ 1,599,553
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant, and Equipment	\$ (156,291)	\$ (364,121)
Purchase of Investments	(49,878)	(44,843)
Proceeds from Investments	41,888	38,078
Net Cash Used in Investing Activities	\$ (164,281)	\$ (370,886)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Debt	\$ -	\$ (408,543)
Loan Proceeds	(9,552)	(8,824)
Net Cash Used in Financing Activities	\$ (9,552)	\$ (417,367)
Increase in Cash	\$ 2,270,865	\$ 811,300
Cash Balance, July 1	1,948,742	1,137,442
Cash Balance, June 30	\$ 4,219,607	\$ 1,948,742
Increase (Decrease) in Net Assets (Exhibit B)	\$ 171,460	\$ 613,991
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation	173,304	166,632
Unrealized Capital (Gain) Loss	(33,908)	(31,284)
Non Cash Contributions	(15,468)	(15,470)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(3,791)	(5,634)
(Increase) Decrease in Prepaid Expenses	(4,548)	4,504
Increase (Decrease) in Accounts Payable	23,394	(4,450)
Increase (Decrease) in Accrued Payroll and Taxes	3,956	(1,476)
Increase (Decrease) in Security Deposits	1,165	247
Increase (Decrease) in Deferred Revenue	2,118,431	862,108
Decrease in Right of Use Asset	10,703	10,385
Net Cash Provided by Operating Activities	\$ 2,444,698	\$ 1,599,553
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid for Interest	\$ -	\$ 16,726
Cash Paid for Leases	\$ 23,736	\$ 25,328

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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, 2022. The standard requires retroactive application to previously issued financial statements for 2023, if presented. The effect of the implementation of this new accounting standard is disclosed in Note F.

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	\$ 4,219,607	\$ 4,253,407	\$ 622,672	\$ 3,617,756	\$ 12,979

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024:

Investments at Fair Value as of June 30, 2024

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 19,044	\$	\$	\$ 19,044
Mutual Funds	238,299			238,299
Corporate Bonds		50,547		50,547
Common Stock	178,216			178,216
Total	<u>\$ 435,559</u>	<u>\$ 50,547</u>	<u>\$</u>	<u>\$ 486,106</u>

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>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024	Year Ended June 30, 2023
Interest and Dividends	\$ 11,981	\$ 9,937
Realized (Unrealized) Gains	33,667	31,523
Total Investment Return	<u>\$ 45,648</u>	<u>\$ 41,460</u>

The Organization's Investments as of June 30, 2024 and 2023 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, 2024 consist of the Organization's:

	COST	FAIR VALUE	UNREALIZED APPRECIATION
Cash and Cash Equivalents	\$ 19,044	\$ 19,044	\$
Mutual Funds	219,228	238,299	19,071
Corporate Bonds	50,602	50,547	(55)
Common Stock	89,053	178,216	89,163
	<u>\$ 377,927</u>	<u>\$ 486,106</u>	<u>\$ 108,179</u>

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>

NOTE D - PROPERTY, PLANT, AND EQUIPMENT:

Activity in fixed asset accounts for the year ended June 30, 2024 is as follows:

	BALANCE JULY 1, 2023	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2024
Land	\$ 167,428	\$	\$	\$ 167,428
Buildings	6,784,487	156,291		6,940,778
Furniture, Fixtures, and Equipment	44,044			44,044
Leasehold Improvements	73,209			73,209
Total Fixed Assets	<u>\$ 7,069,168</u>	<u>\$ 156,291</u>	<u>\$</u>	<u>\$ 7,225,459</u>
Accumulated Depreciation	(2,285,662)	(173,303)		(2,458,965)
Fixed Assets Net of Accumulated Depreciation	<u>\$ 4,783,506</u>	<u>\$ (17,012)</u>	<u>\$</u>	<u>\$ 4,766,494</u>

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE E - RIGHT TO USE LEASED ASSETS:

Tedford Housing has a recorded right to use leased asset for the office space. The related lease is discussed in Note F - Leases. The right to use lease assets are amortized on a straight-line basis over the term of the lease.

Right to use asset activity for the Organization for the year ended is as follows:

Right to Use Asset:	
Office Lease	\$ 91,083
	<u>91,083</u>
Total Right to Use Asset	<u>\$ 91,083</u>
Less: Accumulated Amortization for:	
Office Lease	\$ 36,433
	<u>36,433</u>
Total Accumulated Amortization	<u>\$ 36,433</u>
Right to Use Asset, Net	<u>\$ 54,650</u>

NOTE F - LEASES:

The Organization has entered into the following lease agreement:

Operating Lease

The Organization leases an office located at 34 Federal Street under a noncancellable operating lease expiring in 2030.

Lease Cost

The following table summarizes the Organization's lease related costs for the year ended June 30, 2024:

Operating Lease Cost	\$ 13,486
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Other Information - Operating Lease

Cash paid for amounts included in the measurement of lease liabilities:	\$ 12,336
Remaining Terms:	
Office Lease	6 Years
Weighted-average discount rate	3.47%

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE F - LEASES (CONT'D):

Future Minimum Lease Payments and Reconciliation to the Financial Position

Future minimum payments due under the Organization's noncancellable operating lease agreements as of June 30, 2024 are as follows:

2025	\$ 13,491
2026	13,491
2027	13,491
2028	13,491
2029	13,491
2030	13,491
Total future undiscounted lease payments	\$ 80,946
Less present value discount	5,785
Total lease liabilities - operating	\$ 75,161

NOTE G - DONATED GOODS AND SERVICES:

The value of donated food, which is included as revenue and expense in the financial statements, is \$21,700 for the year ended June 30, 2024. The Organization also received donations of supplies for the year ended June 30, 2024 totaling \$10,900. In 2023 the value of the donated food was \$21,000 and the donated supplies were valued at \$13,250.

NOTE H - GRANTS:

State and Federal Grants include:

	2024	2023
Emergency Shelter Housing Assistance Payments - Operations	\$ 114,708	\$ 117,385
Emergency Shelter Housing Assistance Payments - Stabilization	132,620	128,279
Emergency Shelter Housing Assistance Payments - Performance	31,053	24,593
Maine Housing LD 258 Part K	39,572	
Maine Housing - Special Emergency Funding	42,014	54,145
Maine Housing - New Facility Grant - ARPA Funding	71,104	227,662
MARRA Trust Fund	2,326	25,609
	\$ 433,397	\$ 577,673

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

NOTE I - 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, 2024 employee contributions totaled \$16,880 and employer contributions totaled \$9,428. During the fiscal year ending June 30, 2023 employee contributions totaled \$15,049 and employer contributions totaled \$10,168.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE J - RENT:

The Organization rents office space in Brunswick at a rental rate of \$11,400 annually. The additional rent paid of \$5,008, was for client assisted rents made through Tedford Housings Homeless Prevention Program.

NOTE K - NOTES PAYABLE:

Notes payable as of June 30, 2024 consists of the following:

CREDITOR	INTEREST RATE	TYPE	SECURITY	TOTAL	SHORT- TERM	LONG- TERM
Maine State Housing Authority - Gilbert Place	0%	Mortgage	Land & Building	\$ 155,000	\$ 5,000	\$ 150,000
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	280,858	5,055	275,803
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	64,959	5,413	59,546
City of Auburn - 22 Pine Street	0%	Mortgage	Land & Building	120,000		120,000
Bath Savings Institution	5%	Line of Credit	Land & Building			
				<u>\$ 2,922,515</u>	<u>\$ 15,468</u>	<u>\$ 2,907,047</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	15,468		15,468
2026	15,468		15,468
2027	15,468		15,468
2028	15,468		15,468
Thereafter	2,845,175		2,845,175
Total	<u>\$ 2,922,515</u>	<u>\$</u>	<u>\$ 2,922,515</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.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE K - NOTES PAYABLE (CONT'D):

Maine State Housing Authority - Gilbert Place, Bath, Maine (Cont'd)

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.

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.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE K - NOTES PAYABLE (CONT'D):

Maine State Housing Authority - Everett Apartments, Brunswick, Maine

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.

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.

NOTE L - RENTAL INCOME:

For fiscal year ended June 30, 2024 rental income was \$392,178 for the supportive housing program. For fiscal year ended June 30, 2023 rental income was \$365,425.

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE M - 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 N - 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.

The Organization has evaluated the position taken on its filed tax returns. The Organization has concluded no uncertain income tax positions exist at June 30, 2024. The Organization’s tax years from 2022 through 2024 are open and subject to examination.

NOTE O - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consists of the following at June 30, 2024:

Warm Thy Neighbor	\$ 97,874
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NOTE P - DEFERRED REVENUE:

As of June 30, 2024, deferred revenue consisted of the following:

Maine Women’s Giving Tree Client	\$ 5,645
Bowdoin Common Good	2,500
Midcoast Charitable MRRA	1,435
Sam Cohen	15,000
Moser Foundation	15,000
Doree Taylor	17,500
Capital Campaign Fund	3,000,879
LD 258 Part K	134,982
LD 1844 Capital Funds	257,000
Diversion Funds	4,917
	\$ 3,454,858

TEDFORD HOUSING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE Q - CAPITAL CAMPAIGN PLEDGES:

At June 30, 2024 the Organization had \$883,569 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:

2024	\$ 353,549
2025	338,771
2026	<u>191,249</u>
	<u>\$ 883,569</u>

NOTE R - PRIOR PERIOD RESTATEMENT:

During the year, management implemented FASB ASU 2016-02, Leases. The net effect of implementation was a decrease in the beginning balance of the unrestricted net assets of \$1,560.

NOTE S - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES:

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, and investments.

Financial assets available for general expenditure, that is, without donor or other internal restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2024.

	<u>2024</u>	<u>2023</u>
Cash and Equivalents	\$ 4,219,607	\$ 1,948,742
Accounts Receivable	87,773	83,982
Investments	486,106	44,209
Total Resources Available	<u>\$ 4,793,486</u>	<u>\$ 2,076,933</u>