

TOWN OF GRAY
GRAY TOWN COUNCIL
AGENDA • JANUARY 2, 2024

**Gray Town
Council Regular
Meeting**

Town Council Chambers
24 Main Street, Gray, ME 04039
<http://tinyurl.com/2thpjww5>
Phone: 469-708-0487 / Meeting ID: 433 732 576#

7:00 PM

I. OPENING STATEMENT

This meeting will be held in person and online with the link provided in the agenda header. For the Public Hearings, residents can click in to participate or call in using the number provided during the Public Hearings as detailed in the agenda.

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE TO THE FLAG

IV. CONSENT AGENDA 5 MINS

1. Minutes from the Town Council Meeting on December 19, 2023

V. PUBLIC COMMENTS OF NON-AGENDA ITEMS (LIMIT 3 MINS PER PERSON) 10 MINS

Comments are intended for information sharing, not discussion. Comments in excess of three minutes are welcome at the end of the agenda prior to adjournment. Call 469-708-0487/ Meeting ID: 433 732 576#

VI. ADJUSTMENTS TO THE AGENDA 5 MINS

VII. ACTION ITEMS 7:20PM

1. To Review and Act Upon Approving the Acceptance of a Settlement offer for Gray Fire and rescue account 40-20-1305, in the amount of \$469.60 as an in full payment of an open account with a balance of \$939.20 from December 20, 2020. **10 MIN**

Proposed motion:

Ordered, the Gray Town Council accepts a settlement offer for Gray Fire and Rescue account 40-20-1305, in the amount of \$469.60 as an in full payment of an open account with a balance of \$939.20 from December 20, 2020.

2. To Review and Act Upon Approving the Acceptance of the Homeland Security Grant in the amount of \$18,125.99 for the purchase of items to support Fire/Rescue needs during an active

shooter event. 5 MIN

Proposed motion:

Ordered, the Gray Town Council approves the Acceptance of the Homeland Security Grant in the amount of \$18,125.99 to support the purchase of items to support Fire/Rescue needs during an active shooter event.

3. To Review and Act Upon Approving the Appointment of Grace Von Allure as a regular member of the Blueberry Festival Committee with a term expiring on August 31, 2026. 5 MIN

Proposed motion:

Ordered, the Gray Town Council appoints Grace Von Allure as a regular member of the Blueberry Festival Committee with a term expiring on August 31, 2026.

4. To Review and Act Upon Approving the Appointment of Valerie Rasza as a regular member of the Open Space Committee with a term expiring on August 31, 2026. 5 MIN

Proposed motion:

Ordered, the Gray Town Council appoints Valerie Rasza as a regular member of the Open Space Committee with a term expiring on August 31, 2026.

5. To Review and Act Upon Approving the Appointment of alternate member Deborah McKew as a regular member of the Blueberry Festival Committee with a term expiring on August 31, 2025. 5 MIN

Proposed motion:

Ordered, the Gray Town Council appoints Deborah McKew as a regular member of the Blueberry Festival Committee with a term expiring on August 31, 2025.

6. To Review and Act Upon Approving a Liquor License Renewal and a Special Amusement Renewal for Dickinson Enterprises Corporation d/b/a Tailgate Bar & Grill, located at 61 Portland Road. 5 MIN

Proposed motion:

Ordered, the Gray Town Council approves the Liquor License Renewal and Special Amusement Renewal for Dickinson Enterprises d/b/a Tailgate Bar & grill, located at 61 Portland Road.

7. To Review and Act Upon Approving the Application for Avesta Housing CDBG grant of \$90,000 for property located at 12B Collyer Brook Road. 5 MIN

Proposed motion:

Ordered, the Gray Town Council approves the Application for Avesta Housing CDBG grant of \$90,000 for property located at 12B Collyer Brook Road.

VIII. REPORT FROM THE COUNCIL CHAIR 5 MINS - 8:00PM

IX. REPORT FROM THE TOWN MANAGER 5 MINS

X. COMMITTEE REPORTS 10 MINS

XI. COUNCIL CORRESPONDENCE/ACTIVITIES 10 MINS

XII. ADJOURNMENT 8:30PM

** The Town of Gray is an equal opportunity employer and complies with all applicable equal access to public accommodations law. If you are planning to attend a Town Council or Town committee or board meeting and need assistance with a physical disability, please contact the Town Manager's office at least 48 hours in advance of the meeting to have the Town assist you. 657-3339. TTY 657-3931.*

TOWN OF GRAY
GRAY TOWN COUNCIL
MINUTES • December 19, 2023

Gray Town Council
Regular Meeting



Town Council Chambers

7:00 PM

24 Main Street, Gray, ME 04039

<https://us06web.zoom.us/j/88157168266>

Phone 646-558-8656 / Meeting ID: 881 5716 8266

I. OPENING STATEMENT

This meeting will be held in person and online with the link provided in the agenda header. For the Public Hearings, residents can click in to participate or call in using the number provided during the Public Hearings as detailed in the agenda. Chair Krista Chappell is not feeling well and absent tonight, Vice Chair Dan Maguire called the meeting to order at 7:08PM

II. ROLL CALL

Attendee Name	Title	Status
Krista Chappell	Chair	Excused
Matthew Hight	Council Member	Present
Anne Gass	Council Member	Present
Dan Maguire	Vice Chair	Present
Martin Meaney	Council Member	Present

III. PLEDGE OF ALLEGIANCE TO THE FLAG

IV. CONSENT AGENDA

IV.1 Minutes from the Executive Session on December 5, 2023

IV.2 Minutes from the Town Council Meeting on December 5, 2023

MOTION: Ordered, the Gray Town Council approved the consent agenda except for Minutes from the Regular Town Council Meeting on December 5, 2023.

Clerical edits were given from Councilor Gass for the Regular Town Council Meeting Minutes from December 5, 2023.

RESULT:	PASSED 4-0
MOTION BY:	Matthew Hight
SECOND BY:	Martin Meaney
AYES:	Martin Meaney, Anne Gass, Matthew Hight, Dan Maguire

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS (LIMIT 3 MINS PER PERSON)

The Public Comment period was opened at 7:13 PM.

No public comments.

The Public Comment period was closed at 7:13 PM.

VI. ADJUSTMENTS TO THE AGENDA

Vice Chair Maguire would like to move action item #4 to #2 so Mr. Davis does not have to wait as long to speak.

RESULT:	PASSED 4-0
MOTION BY:	Dan Maguire
SECOND BY:	Anne Gass
AYES:	Martin Meaney, Anne Gass, Matthew Hight, Dan Maguire

VII. ACTION ITEMS

VII.1 To Review and Act Upon Approving the Bid as amended on November 30, 2023 for the Three-Year Municipal Waste Hauling and Disposal Contract to Casella Waste, as recommended by the Recycling and Solid Waste Department

MOTION: Ordered, the Gray Town Council authorizes the Town Manager to sign the proposed hauling and disposal services contract from Casella for this project to begin on July 1, 2024, and run for three years, ending June 30, 2027. Two additional one-year renewal options will be considered contingent upon mutual agreement of both parties.

Randy Cookson was available to answer questions. He reminded Maguire this is for FY24 and beyond and has no impact on this year’s budget. There were no other questions.

RESULT:	PASSED 4-0
MOTION BY:	Martin Meaney
SECOND BY:	Anne Gass
AYES:	Martin Meaney, Anne Gass, Matthew Hight, Dan Maguire

VII.2 To Review and Act Upon Approval of Disabled Veteran Excise Tax Exemptions retroactive to October 18, 2021 for Gray residents Dennis M. Davis and William Keith.

MOTION: Ordered, the Gray Town Council grants the requested retroactive tax exemptions to disabled veterans and Gray residents Dennis M. Davis and William Keith, including reimbursement for vehicle excise tax in the amount of \$1,682.39 to Dennis M. Davis and \$416.58 for William Keith.

After discussion by the Town Council and input from Mr. Davis, the Town Council approved the motion.

RESULT:	PASSED 4-0
MOTION BY:	Anne Gass
SECOND BY:	Martin Meaney
AYES:	Martin Meaney, Anne Gass, Matthew Hight, Dan Maguire

VII.3 To Remove from the Table the proposed Maine Department of Transportation (MDOT) Cooperative Agreement for the Village Transformation Projects.

The Council decided not to remove this item from the table since they had not had a reply yet from MDOT to the edits made at the last meeting.

VII.4 To Review and Act Upon Approving the Maine Department of Transportation (MDOT) Cooperative Agreement for the Village Transformation Project.

The Council decided not to address this item since they had not received a reply yet from MDOT to the edits made at the last meeting.

VIII. REPORT FROM THE COUNCIL CHAIR

None.

IX. REPORT FROM THE TOWN MANAGER

None.

X. COMMITTEE REPORTS

Councilor Meaney:

- Gray Wild Blueberry Festival Committee: Met 12/14 via Zoom.
- ZBA will meet 12/27 at 7pm. 12/6 the ZBA met for a brief meeting at the Gray Library regarding the variance for the property on Lewiston Rd.
- Planning Board will meet 1/11 7pm. 12/8 had a site walk on Eagles Nest Rd.

Councilor Maguire:

Councilor Hight:

- Recreation Committee meets in January.
- Dry Mills Committee met 12/18 and he missed the meeting.
- GCTV committee meets 12/27 at 4pm

Councilor Gass:

- Open Space Committee had a meeting and workshop. They are happy about their work conserving open space and will meet with the Planning Board to help work on the process considering the Subdivision Open Space Ordinance.
- Resiliency met twice since in December. They hope to do a workshop with Council in February. There is a grant they are interested in applying for which is due in March.
- CEDC has no quorum.
- VTP (Village Transformation Project) met with MEDOT about the cooperative agreement, there were no major pushbacks, they agreed to a 25mph speed limit in the Village. Ernie Martin, who has served as project manager on this, will take a step back because he is busy with other projects and his boss will be taking over. This agreement was sent to legal council and hopefully the MEDOT notes will be back in time for the next meeting on 1/2/24.

XI. COUNCIL CORRESPONDENCE/ACTIVITIES

Councilor Gass: Received the same email from Bill Chapman and discussed the protocol that when all the councilors receive the same email, the Council Chair replies on behalf of the whole Council.

Councilor Gass also watched the Cannabis Webinar through Maine Municipal Association.

Councilor Maguire: Vice Chair Maguire has talked to Council Chair Chappell about the Council budget agenda. Council Chair Chappell looked over last year's agenda to help set up a timeline. They discussed having a kick-off meeting on a Saturday where they would do the expense budget that day. There will be a budget workshop on 1/2/24 to go over this. Council Chair Maguire suggests starting by looking at revenue, and then going through the articles.

Council discussed what they may cover in the budget workshop on 1/2/24 and planning the Saturday budget meeting.

Councilor Maguire spoke with Gerald Fossett the president of the Deer Acres Road Association.

Councilor Maguire also received the email from Bill Chapman.

Councilor Maguire attended a Cannabis Webinar through Maine Municipal Association.

He mentioned that he attended the Town Manager interviews.

Councilor Hight: Received an email from Bill Chapman, but he did not open the attachment. He received another email from Token Cannabis Company requesting he visits them.

Councilor Meaney: Received the same email from Bill Chapman, and he believes it will be a long issue.

XII. ADJOURNMENT

MOTION: to Adjourn at 8:05 PM

RESULT:	PASSED 4-0
MOTION BY:	Matthew Hight
SECOND BY:	Anne Gass
AYES:	Martin Meaney, Anne Gass, Matthew Hight, Dan Maguire

CLZ



LOWRY & ASSOCIATES

I N J U R Y A T T O R N E Y S

33 McAlister Farm Road, Suite 203
Portland, ME 04103
Phone: (207) 775-3819
Fax: (207) 775-1848

Bangor Office (no mail)
15 Columbia Street
Bangor, ME

December 4, 2023

Attention: Billing Department
Gray Fire & Rescue
P.O. Box 1810
Windham, ME 04062-1810

Our Client: [REDACTED]
Our File No.: 105366-002
Account No.: 40-20-1305

Dear Sir/Madam:

We are in the process of bringing [REDACTED] case to a close and are in a position to discuss settlement of the outstanding account of \$939.20 for transportation services performed on December 20, 2020.

We are happy to report that through the efforts of our firm, we were able to achieve a settlement of this case. At this time, we are offering you \$469.60 in full payment of our client's outstanding account.

If you would like us to send the funds directly to you, please sign the bottom of this document and return to our office. If we do not hear from you within 14 days of the date of this letter, we will consider that a rejection of our offer and close our file without any further action. Thank you for your time and assistance with this matter.

Sincerely,

[REDACTED] 

[REDACTED]

The above payment arrangement is accepted as payment in full of [REDACTED] account noted above:

Accepted by: _____
Printed Name

Signature

Date: _____

Dear Council,

In April we applied for a Homeland Security Grant that identified specific areas of high priority. We chose a project that addressed two high priority areas. Enhancing the Protection of Soft Targets/Crowded Places, and Equipment and Capital Projects.

Our project allows us to purchase items that we can use during an active shooter event. Once this project is completed, we will be available to respond mutual aid to our surrounding towns for such events as needed.

The items we have been approved to purchase with this grant are:

Enhanced Multi-Threat Vest IIIA+

Active Shooter moulage and training

Chest seal

Chest decompression and needle kits

QuickClot gauze

Israeli Emergency Bandages

Tourniquets

Active Shooter Casualty Response Kit

Smart MCI Triage Bags

We are requesting the council accept this grant and approve us to administer it as follows:

The items listed above need to come from multiple sources so we would like to have the latitude to shop for the best prices from distributors we deal with on a regular basis.

Budget Details

This is where you list the items/assets/services you're requesting funds to purchase.

Project Title:	Organization:			
Planning	Category	Primary Discipline	Secondary Discipline	Total Item Cost
				\$ -
				\$ -
				\$ -
Organization	Category	Primary Discipline	Secondary Discipline	Total Item Cost
				\$ -
				\$ -
				\$ -
Equipment	Category	Primary Discipline	Secondary Discipline	Total Item Cost
Enhanced Multi-Threat Vest IIA+	Intervention Equipment	Emergency Medical Services (Fire based)	Fire Service	\$ 4,154.49
Active shooter moulage and training	Intervention Equipment	Emergency Medical Services (Fire based)	Fire Service	\$ 2,671.39
Chest Seal	Medical Supplies and limited pharmaceuticals	Emergency Medical Services (Fire based)	Fire Service	\$ 579.26
Chest decompression needle kits	Medical Supplies and limited pharmaceuticals	Emergency Medical Services (Fire based)	Fire Service	\$ 1,088.78
QuikClot gauze	Medical Supplies and limited pharmaceuticals	Emergency Medical Services (Fire based)	Fire Service	\$ 1,960.18
Israeli Emergency Bandages	Medical Supplies and limited pharmaceuticals	Emergency Medical Services (Fire based)	Fire Service	\$ 528.43
Tourniquets	Medical Supplies and limited pharmaceuticals	Emergency Medical Services (Fire based)	Fire Service	\$ 2,127.50
Active Shooter Casualty Response Kit	Medical Supplies and limited pharmaceuticals	Emergency Medical Services (Fire based)	Fire Service	\$ 2,807.98
Smart MCI Triage Bags	Medical Supplies and limited pharmaceuticals	Emergency Management	Emergency Medical Services (Fire bas	\$ 2,207.98
Training	Category	Primary Discipline	Secondary Discipline	Total Item Cost
				\$ -
				\$ -
				\$ -
				\$ -
Exercise	Category	Primary Discipline	Secondary Discipline	Total Item Cost
				\$ -
				\$ -
				\$ -
				\$ -

Total: \$ 18,125.99

Submission #154

View

Edit

Delete

Welcome to the website. For Help Documentation & Videos, please visit our [Municipal User Center](#) or, for schools, visit our [Schools User Center](#). **It is recommended you write down the following credentials to login to the User Center - Username: "CivicOpen" and Password: "ClientUser10!"**

[Previous submission](#) [Next submission](#)

[Print](#) [Resend e-mails](#)

Submission information

Form: [Volunteer Resources](#)
Submitted by Anonymous (not verified)
September 27, 2023 - 12:50pm
2603:7080:483c:1152:c591:9bfb:ea0c:1965

Application Date: September 27, 2023

Contact Details

First/Middle Name: Grace
Last Name: Von Allure
Street/PO Box: 15 Alishia Lane
City, State, Zip: Gray
Phone Number: 6789392688
Email Address: gracevonallure@gmail.com

Employment

Occupation: Marketing Entrepreneur
Present Employer: Bosslady Marketing
Employer Phone Number: 678-939-2688

Are you a Gray resident? Yes

Select the board/committee on which you would like to serve
Blueberry Festival Committee

Reason for selecting this particular board/committee?

I love the town of Gray and think I would be a valuable asset in helping the Blueberry Festival continue to grow and get better every year

What kind of contribution and benefit can you bring to the Town of Gray?

My time, skills, knowledge, connections, and resources to continue to improve and build on current efforts

What talents and skills would you bring to this position?

Photography, videography, social media, web design, graphic design, and copywriting

What do you feel is the responsibility of the Board/Committee you have chosen?

To build community and foster a friendly and welcoming culture in Gray

What Municipal Boards, Volunteer Organizations or Community Service Groups/Committees have you worked on in the past, and for what length of time?

I was a regular volunteer for several organizations when I lived in Atlanta, Georgia, (I moved to Gray 3 years ago). They include: Ronald McDonald House (cooking meals periodically over 3 years), Women in Technology (mentor for 2 years), and started Asian and American Student Relations, a college organization for helping Southeast Asian international students learn English and acclimate to life in America (volunteer and president for 3 years). In a past job, I headed up community relations and provided support including sponsorship and marketing services in kind to local non-profits.

Will your schedule allow you to attend meetings on a regular basis? Yes

Are you familiar with the "Comprehensive Plan" adopted by the Town of Gray? Yes

Comment on any consideration or aspect of your interest to a board/committee that will directly benefit the overall advancement of the Town of Gray.

Gray is the home that I love, and there's nothing I want more than its continued growth and improvement. I can help with lowering costs of goods sold and enhanced revenue generation including in-kind donations and sponsorships, to provide Gray with more funding to advance projects or interests.

How did you hear about this volunteer opportunity?

Word of Mouth

I understand that Town of Gray board/committee members or their appointed chairperson(s) are required to provide a meeting agenda for publication on the Town of Gray website at least seven (7) days in advance of each regular monthly meeting, workshop, or special meeting.

Yes

I understand that Town of Gray board/committee members or their appointed chairperson(s) are required to provide follow up notes/minutes for publication on the Town of Gray website within forty-five (45) days following each regular monthly meeting, workshop, or special meeting when appropriate.

Yes

I understand that Town of Gray board/committee members or their appointed chairperson(s) are required to provide an Annual Report for inclusion in each Town of Gray Annual Report. Said annual report must be submitted no later than August 1 of each year and should address: Accomplishments for the period from Jul 1 – Jun 30 of the immediately preceding fiscal year; Board/committee goals for the current fiscal year from Jul 1 – Jun 30; Forseeable obstacles to attaining said goals; Fiscal resources anticipated to meet said goals; Council support / action anticipated in order to meet said goals; Any additional board/committee activity during the period of particular interest to the Gray community.

Yes

I understand that upon appointment to a Town of Gray Board or Committee, I will be issued a Town of Gray email account for use with all board/committee communications to facilitate potential FOIA requests. Further, I understand that it is my responsibility to ensure that all Town of Gray communications are restricted to this account and no other.

Yes

[Previous submission](#) [Next submission](#)



BOARD/COMMITTEE APPLICATION TOWN OF GRAY MAINE

For Office Use Only
Date Received: _____
Received by: _____

CONTACT INFORMATION

Name	Valerie Razza	E-Mail Address	valrazza@gmail.com
Street Address	39 Hunts Hill	City/State/Zip	Gray ME 04039
Phone Number	207 838 5282	Work Phone	same
Gray Resident?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		

EMPLOYMENT

Occupation	tutor
Employer	SAD 15
Employer Phone	

BOARDS & COMMITTEES

On which board/committee would you like to serve?

<input type="checkbox"/>	Blueberry Festival Committee	<input checked="" type="checkbox"/>	Open Space Committee
<input type="checkbox"/>	Board of Assessment Review	<input type="checkbox"/>	Planning Board
<input type="checkbox"/>	Community Economic Development Committee	<input type="checkbox"/>	Public Safety Committee
<input type="checkbox"/>	Community Television & Communication Advisory Committee	<input type="checkbox"/>	Recreation & Conservation Committee
<input type="checkbox"/>	Dry Mills Schoolhouse Committee	<input type="checkbox"/>	Resiliency Committee
<input type="checkbox"/>	Finance Committee	<input type="checkbox"/>	Zoning Board of Appeals
<input type="checkbox"/>	Library Board of Trustees	<input type="checkbox"/>	Other (please specify)

Reason for selecting particular board/committee:

I have served on it for 3 years and am very committed to retaining open space and Gray's rural quality.

This was firmly communicated by Comp. Plan Committee which I served on. There is great developmental pressure currently and we want to ensure it is done well.

SPECIAL SKILLS OR QUALIFICATIONS

What kind of contribution and benefit can you bring to the Town of Gray?

Experience on development of OSC
CompPlan Exp.

What talents and skills would you bring to this position?

Communication

What do you feel is the responsibility of the Board and/or Committee you have chosen?

To listen and be responsive to the concerns of
residents of our community.

What Municipal Boards, Volunteer Organizations or Community Service Groups/Committees have you worked on in the past, and for what length of time?

Comp. Plan (3yrs.?)
OSP 3yrs (?)

Will your schedule allow you to attend meetings on a regular basis?

YES NO

Are you familiar with the "Comprehensive Plan" adopted by the Town of Gray?

YES NO

Comment on any consideration or aspect of your interest to a board/committee that will directly benefit the overall advancement of the Town of Gray.

I've lived here for 38 years, raised
3 sons here. Two of my sons and their
families live in Gray also.

I care about this community.

ACKNOWLEDGEMENTS / SIGNATURE

YES NO

I understand that Town of Gray board/committee members or their appointed chairperson(s) are required to provide a meeting agenda for publication on the Town of Gray website at least seven (7) days in advance of each regular monthly meeting, workshop, or special meeting.

YES NO

I understand that Town of Gray board/committee members or their appointed chairperson(s) are required to provide follow up notes/minutes for publication on the Town of Gray website within forty-five (45) days following each regular monthly meeting, workshop, or special meeting when appropriate.

YES NO

I understand that Town of Gray board/committee members or their appointed chairperson(s) are required to provide an Annual Report for inclusion in each Town of Gray Annual Report. Said annual report must be submitted no later than August 1 of each year and should address:

- Accomplishments for the period from Jul 1 – Jun 30 of the immediately preceding fiscal year;
- Board/committee goals for the current fiscal year from Jul 1 – Jun 30;
- Forseeable obstacles to attaining said goals;
- Fiscal resources anticipated in order to meet said goals;
- Council support / action anticipated in order to meet said goals;
- Any additional board/committee activity during the period of particular interest to the Gray community.

YES NO

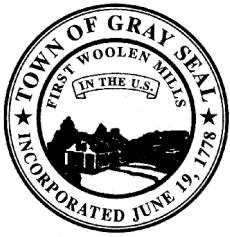
I understand that upon appointment to a Town of Gray Board or Committee, I will be issued a Town of Gray email account for use with all board/committee communications in order to facilitate potential FOIA requests. Further, I understand that it is my responsibility to ensure that all Town of Gray communications are restricted to this account and no other.

Date

10/4/23

Signature

Valen Raye



TOWN OF GRAY

Henry Pennell Municipal Complex
24 Main St, Gray Maine 04039
www.graymaine.org

OFFICE OF THE TOWN CLERK

Britt L. Barton
Town Clerk / Registrar of Voters
TownClerk@graymaine.org
(207) 657-3339 ext: 104

MEMORANDUM

To: Town Council

From: Britt L. Barton, Town Clerk

Re: Application for Liquor License and Special Amusement Renewal

Dickinson Enterprises Corporation
d/b/a Tailgate Bar & Grill
61 Portland Road, Gray Maine 04039

Inspections of the property have been completed by Assistant Code Enforcement Officer Rodney Belanger, with license renewal approval on 11/30/2023 and Fire Chief Kurt Elkanich with license renewal approval on 12/08/2023.

Previously noted infractions resulting in a failed Annual Life Safety inspection performed by the Gray Fire & Rescue Department dated 12/21/2022 have been addressed and are not noted on the current inspection report dated 12/08/2023.

Minor infractions noted on the 11/30/2023 and 12/08/2023 inspection reports by both the Assistant Code Enforcement Officer and Fire Chief to include: unsecure plug strips in office, need to install two covers on junction boxes in kitchen, add more clips to MC cables above kitchen panel, unmarked parking lot (unable to allow access for emergency vehicles), poor general housekeeping, unkept storage, paper goods on floor, need of class K extinguisher, lack of Knox Box.

The original application for 2023 Special Amusement Permit scheduled to expire January 16, 2023, was denied due to continuing electrical and safety concerns noted by Code and Safety.

A temporary Special Amusement permit was granted with an expiration date of February 1, 2023. With the approval of an Annual Special Amusement Permit granted January 31, 2023, after necessary actions had been taken to comply with Code and Safety requirements.



SPECIAL AMUSEMENT APPLICATION TOWN OF GRAY MAINE

For Office Use Only
 Date Submitted: _____
 Date Paid/Initials: _____
 Amount Paid: _____

23-24

CONTACT INFORMATION

Applicant BRIAN + SUSAN DICKINSON	Business
Name	Name Tailgate Bar + Grill
PO Box/Street 35 HOLMAN LN NORWAY ME 04268	PO Box/Street 61 Portland Rd.
City/State/Zip	City/State/Zip Gray ME 04039
Phone Number 207 890 4092	Phone Number 207 657 7873
E-Mail Address brian.dickinson@yahoo.com	E-Mail Address

OFFICERS

List the Names & Addresses of all Officers (use an additional sheet if necessary)

Name BRIAN + SUSAN DICKINSON	Address 35 HOLMAN LN NORWAY ME 04268
Name	Address
Name	Address
Name	Address
Name	Address
Name	Address
Name	Address

Have any of the officers been convicted of a Class A, B or C Crime within the past five years? Yes No

If yes, give the name of the person and describe the offense:

ENTERTAINMENT

Describe the premises for size, seating, etc., including security measures being taken:

50 SEATS VIDEO SURVEILLANCE

Has applicant ever had a Special Amusement License denied or revoked?

Yes No

If so, describe the circumstances:

Please specify type of entertainment:

List days and hours of entertainment. (Please note pursuant to the Special Amusement Ordinance; all entertainment must end by 12:00 midnight.)

TUES TRIVIA 7-9 THUR DUET 7-9 SUN BOWLS JAM 1-5
FRI/SAT DJ WITH OCCASSIONAL BAND 8-12

SIGNATURES

NOTE: Supplying false information regarding the Special Amusement Permit is grounds for denial of this application.

Printed Name(s) of Applicant(s)

BRIAN + SUSAN DICKINSON

Applicant Signature(s):

Date:

Brian Dickinson
Susan Dickinson

11-14-23

11-14-23

FOR MUNICIPAL USE ONLY

Code Enforcement Officer Inspection & Approval

Signature/Title:

Bob Belamy

Date:

11/30/23

Comments:

MINOR MAINTENANCE ITEMS

1: Secure plug STRIPS in OFFICE

2: INSTALL 2 COVERS ON JUNCTION BOXES in KITCHEN

3: Add more Clings TO ME, CABLES ABOVE KITCHEN PARCEL

Public Safety Inspection & Approval

Signature/Title:

Date:

12/8/2023

Comments:

* See attached

4. Indicate the type of license applying for: (choose only one)

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Restaurant
(Class I, II, III, IV) | <input type="checkbox"/> Class A Restaurant/Lounge
(Class XI) | <input type="checkbox"/> Class A Lounge
(Class X) |
| <input type="checkbox"/> Hotel
(Class I, II, III, IV) | <input type="checkbox"/> Hotel – Food Optional
(Class I-A) | <input type="checkbox"/> Bed & Breakfast
(Class V) |
| <input type="checkbox"/> Golf Course (included optional licenses, please check if apply)
(Class I, II, III, IV) | <input type="checkbox"/> Auxiliary | <input type="checkbox"/> Mobile Cart |
| <input type="checkbox"/> Tavern
(Class IV) | <input type="checkbox"/> Other: _____ | |
| <input type="checkbox"/> Qualified Caterer | <input type="checkbox"/> Self-Sponsored Events (Qualified Caterers Only) | |

Refer to Section V for the License Fee Schedule on page 9

5. Business records are located at the following address:

61 PORTLAND GRAY ME 04039

6. Is the licensee/applicant(s) citizens of the United States? Yes No
7. Is the licensee/applicant(s) a resident of the State of Maine? Yes No

NOTE: Applicants that are not citizens of the United States are required to file for the license as a business entity.

8. Is licensee/applicant(s) a business entity like a corporation or limited liability company?

Yes No If Yes, complete Section VII at the end of this application

9. For a licensee/applicant who is a business entity as noted in Section I, does any officer, director, member, manager, shareholder or partner have in any way an interest, directly or indirectly, in their capacity in any other business entity which is a holder of a wholesaler license granted by the State of Maine?

Yes No

Not applicable – licensee/applicant(s) is a sole proprietor

10. Is the licensee or applicant for a license receiving, directly or indirectly, any money, credit, thing of value, endorsement of commercial paper, guarantee of credit or financial assistance of any sort from any person or entity within or without the State, if the person or entity is engaged, directly or indirectly, in the manufacture, distribution, wholesale sale, storage or transportation of liquor.

Yes No

If yes, please provide details: _____

11. Do you own or have any interest in any another Maine Liquor License? Yes No

If yes, please list license number, business name, and complete physical location address: (attach additional pages as needed using the same format)

Name of Business	License Number	Complete Physical Address

12. List name, date of birth, place of birth for all applicants including any manager(s) employed by the licensee/applicant. Provide maiden name, if married. (attach additional pages as needed using the same format)

Full Name	DOB	Place of Birth
BRIAN FRANCIS DICKINSON	4/13/1960	MILTON MA
SUSAN ROSE (MING) DICKINSON	11-10-1960	BOSTON MA

Residence address on all the above for previous 5 years

Name: BRIAN + SUSAN DICKINSON Address: 35 HOLMAN LN NORWAY ME 04268

Name: Address:

Name: Address:

Name: Address:

13. Will any law enforcement officer directly benefit financially from this license, if issued?

Yes No

If Yes, provide name of law enforcement officer and department where employed:

14. Has the licensee/applicant(s) ever been convicted of any violation of the liquor laws in Maine or any State of the United States? Yes No

If Yes, please provide the following information and attach additional pages as needed using the same format.

Name: _____ Date of Conviction: _____

Offense: _____ Location: _____

Disposition: _____

15. Has the licensee/applicant(s) ever been convicted of any violation of any law, other than minor traffic violations, in Maine or any State of the United States? Yes No

If Yes, please provide the following information and attach additional pages as needed using the same format.

Name: _____ Date of Conviction: _____

Offense: _____ Location: _____

Disposition: _____

16. Has the licensee/applicant(s) formerly held a Maine liquor license? Yes No

17. Does the licensee/applicant(s) own the premises? Yes No

If No, please provide the name and address of the owner:

LOON ISLAND LLC BOX 235 CUMBERLAND ME 04031

18. If you are applying for a liquor license for a Hotel or Bed & Breakfast, please provide the number of guest rooms available: NA

19. Please describe in detail the area(s) within the premises to be licensed. This description is in addition to the diagram in Section VI. (Use additional pages as needed)

BAR + GRILL

20. What is the distance from the premises to the **nearest** school, school dormitory, church, chapel or parish house, measured from the main entrance of the premises to the main entrance of the school, school dormitory, church, chapel or parish house by the ordinary course of travel?

Name: FIRST CONGREGATIONAL CHURCH

Distance: 0.7 MILES


Section II: Signature of Applicant(s)

By signing this application, the licensee/applicant understands that false statements made on this application are punishable by law. Knowingly supplying false information on this application is a Class D Offense under Maine's Criminal Code, punishable by confinement of up to one year, or by monetary fine of up to \$2,000 or by both.

Please sign and date in blue ink.

Dated: 11-14-23


Signature of Duly Authorized Person


Signature of Duly Authorized Person

BRIAN DICKINSON
Printed Name Duly Authorized Person

SUSAN DICKINSON
Printed Name of Duly Authorized Person

Section III: For use by Municipal Officers and County Commissioners only

The undersigned hereby certifies that we have complied with the process outlined in 28-A M.R.S. §653 and approve this on-premises liquor license application.

Dated: _____

Who is approving this application? Municipal Officers of _____

County Commissioners of _____ County

- Please Note:** The Municipal Officers or County Commissioners must confirm that the records of Local Option Votes have been verified that allows this type of establishment to be licensed by the Bureau for the type of alcohol to be sold for the appropriate days of the week. Please check this box to indicate this verification was completed.

Signature of Officials	Printed Name and Title

This Application will Expire 60 Days from the date of Municipal or County Approval unless submitted to the Bureau

Included below is the section of Maine’s liquor laws regarding the approval process by the municipalities or the county commissioners. This is provided as a courtesy only and may not reflect the law in effect at the time of application. Please see <http://www.mainelegislature.org/legis/statutes/28-A/title28-Asec653.html>

§653. Hearings; bureau review; appeal

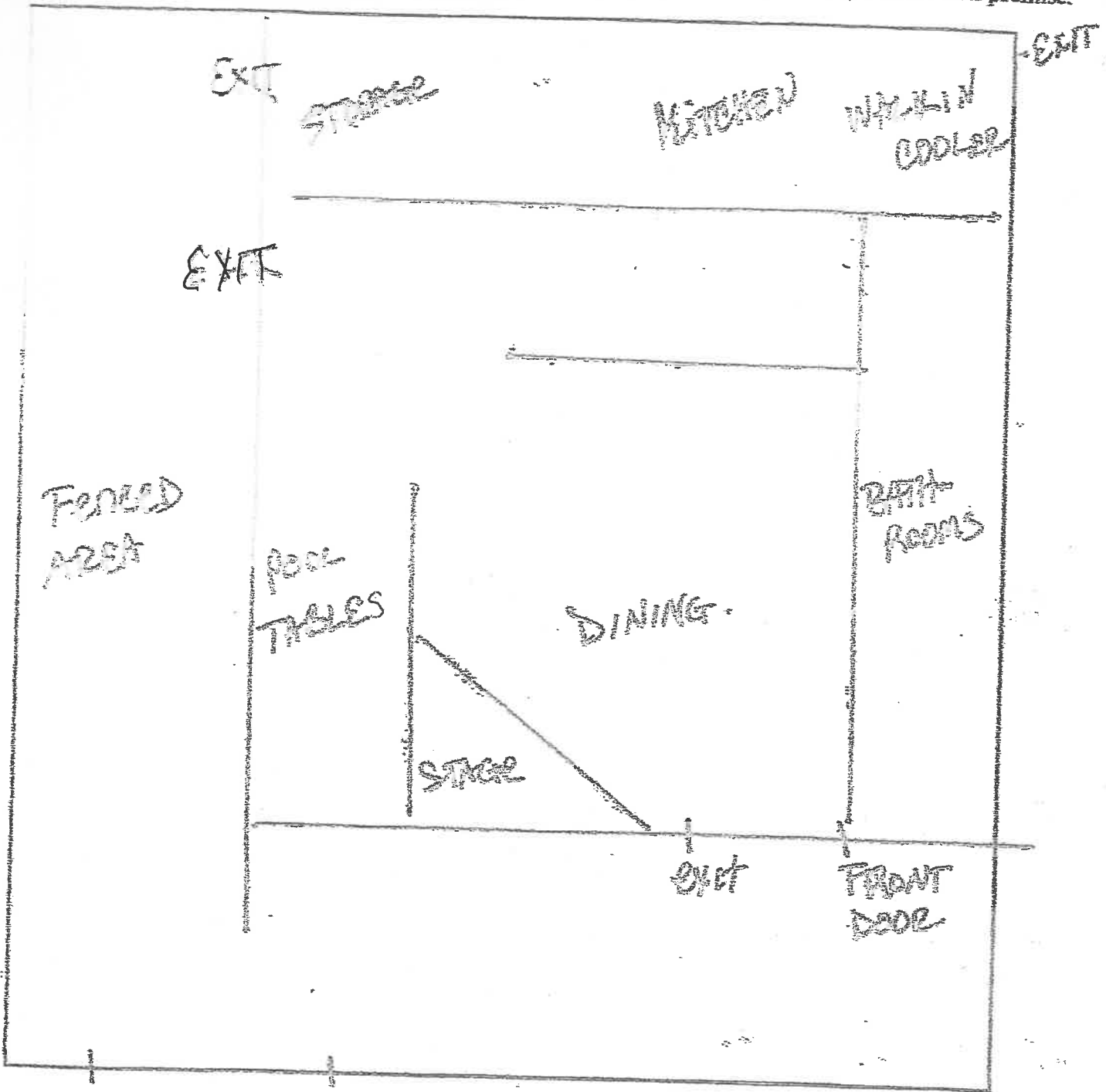
1. Hearings. The municipal officers or, in the case of unincorporated places, the county commissioners of the county in which the unincorporated place is located, may hold a public hearing for the consideration of applications for new on-premises licenses and applications for transfer of location of existing on-premises licenses. The municipal officers or county commissioners may hold a public hearing for the consideration of requests for renewal of licenses, except that when an applicant has held a license for the prior 5 years and a complaint has not been filed against the applicant within that time, the applicant may request a waiver of the hearing.

A. The bureau shall prepare and supply application forms.

Section VI Premises Floor Plan

In an effort to clearly define your license premise and the areas that consumption and storage of liquor authorized by your license type is allowed, the Bureau requires all applications to include a diagram of the premise to be licensed.

Diagrams should be submitted on this form and should be as accurate as possible. Be sure to label the following areas: entrance, exit, restrooms, storage areas, display cases, shelves, restroom, point of sale area, area for live music performance, lounge, event/function rooms, lounges, outside area/decks or any other areas on the premise. Attached an additional page as needed to fully describe the premise.



Section VII: Required Additional Information for a Licensee/Applicant for an On-Premises Liquor License Who are Legal Business Entities

Questions 1 to 4 of this part of the application must match information in Section I of the application above and match the information on file with the Maine Secretary of State's office. If you have questions regarding your legal entity name or DBA, please call the Secretary of State's office at (207) 624-7752.

All Questions Must Be Answered Completely. Please print legibly.

1. Exact legal name: DICKINSON ENTERPRISES CORPORATION
2. Doing Business As, if any: TAILGATE BAR + GRILL
3. Date of filing with Secretary of State: 2014 State in which you are formed: MAINE
4. If not a Maine business entity, date on which you were authorized to transact business in the State of Maine:

5. List the name and addresses for previous 5 years, birth dates, titles of officers, directors, managers, members or partners and the percentage ownership any person listed: (attached additional pages as needed)

Name	Address (5 Years)	Date of Birth	Title	Percentage of Ownership
BRIAN DICKINSON	35 HOLMAN LN NORWAY ME 04268	4-13-60	PRESIDENT	50%
SUSAN DICKINSON	35 HOLMAN LN NORWAY ME 04268	11-10-60	V. PRESIDENT	50%

(Ownership in non-publicly traded companies must add up to 100%.)



Gray Fire Rescue

Annual Life Safety Inspection Result

Inspection Status
In Progress

Inspected by
Kurt Elkanich

Completed at
--

Address	Suite	City	State	Zip
61 Portlan Road	--	Gray	ME	04039
Billing Address	Business Name		Building Type	
61 PORTLAND RD, GRAY, ME, 04039	Tailgats		Unknown	

Exterior:

✘ Fail

ITEM: Fire lanes marked, maintained, and un-obstructed?

The parking lot is not marked at all. Cars park in a manner that we can not get an ambulance to the door let alone a fire truck.

✓ Pass

ITEM: Is the address visible?

✓ Pass

ITEM: Are fire hydrants unobstructed and accessible?

ITEM: Is there a Knox Box?

RESULT: No

ITEM: If there is a Knox Box, are the keys current?

RESULT: N/A

ITEM: Is the FDC visible?

RESULT: N/A

ITEM: Are FDC caps present?

RESULT: N/A

ITEM: Is the FDC accessible?

RESULT: N/A

Egress/Exit Features:

✓ Pass

ITEM: Occupant load posted in all assembly occupancies or rooms over 50 persons?

✓ Pass

ITEM: Are exit isles, and corridors free of obstructions?

✓ Pass

ITEM: Is door swing appropriate and exit doors operational?

Construction Features:

✓ Pass

ITEM: Are rated fire doors present and operational?

Storage/Housekeeping:

✗ Fail

ITEM: Is storage neat and orderly?

N/A

ITEM: Is clearance from ceiling appropriate? 18" below in sprinklered /24" below in non-sprinklered.

N/A

ITEM: Is there storage in the elevator equipment room?

✓ Pass

ITEM: Is storage appropriate in the attic, under-floor and concealed spaces?

Utility, Mechanical, HVAC:

✓ Pass

ITEM: Are shut-off valves provided on gas appliances?

✓ Pass

ITEM: Are appliances installed and vented appropriately?

✓ Pass

ITEM: Is adequate spacing provided between combustibles and appliances? 18" Fuel Fired Appliances

✓ Pass

ITEM: Are mechanical and utility rooms labeled?

Electrical:

✓ Pass

ITEM: Are extension cords being used properly?

✓ Pass

ITEM: Are space heaters plugged in by an approved means?

✓ Pass

ITEM: Are extension cords in good condition?

✓ Pass

ITEM: Is there appropriate clearance to electrical panels?

✓ Pass

ITEM: Are power strips used appropriately, no daisy-chaining?

N/A

ITEM: Are electrical rooms labeled?

Fire Extinguishers:

✓ Pass

ITEM: Are fire extinguishers readily accessible?

✓ Pass

ITEM: Are extinguishers not in approved cabinet, hung with an appropriate bracket?

✓ Pass

ITEM: Have extinguishers been inspected annually and have current tag?

Sprinkler System:

N/A

ITEM: Is sprinkler coverage adequate?

N/A

ITEM: Are control valves, fire pump, etc. readily accessible?

N/A

ITEM: Are all valves supervised?

✓ Pass

ITEM: Are all ceiling tiles intact and present?

N/A

ITEM: Riser room labeled?

N/A

ITEM: Adequate heat provided to riser room?

N/A

ITEM: Are sprinkler heads in good condition and escutcheons present?

N/A

ITEM: Are zone maps posted, legible, and current?

N/A

ITEM: Is air compressor hardwired and switch locked on?

N/A

ITEM: Are annual inspection, testing, and maintenance reports available?

Fire Alarm System:

N/A

ITEM: Is fire alarm system installed properly?

N/A

ITEM: System shows normal operating condition and all devices are in good condition?

N/A

ITEM: Fire alarm keys provided and in Knox box?

N/A

ITEM: Zone maps posted, legible, and current?

N/A

ITEM: Is annual inspection testing, and maintenance documentation available?

Hazardous Materials:

✓ Pass

ITEM: Are compressed gas cylinders secured in an approved manner?

N/A

ITEM: Are hazardous materials room and areas appropriately labeled (NFPA 704)?

✓ Pass

ITEM: Are quantities of hazardous materials within acceptable quantities?

N/A

ITEM: Are incompatible materials appropriately separated?

✓ Pass

ITEM: Is propane gas being stored or used inside?

Commercial Kitchens:

✓ Pass

ITEM: Is hood maintained appropriately and clean?

N/A

ITEM: Is wet chemical system serviced and/or inspected?

✗ Fail

ITEM: Class K extinguisher provided, in appropriate location, and accessible?

There is an ABC extinguisher next to the fryolator, which should be a class K extinguisher.

✓ Pass

ITEM: Are manual activation pull stations accessible?

Elevators:

N/A

ITEM: Elevator key box operable, and easily located?

N/A

ITEM: Drop key present in elevator key box?

General Notes:

ITEM: General notes.

RESULT: General housekeeping is poor. Paper goods are stored on the floor. The storage area should be neater, and items should be off the floor. We HIGHLY recommend the installation of a Knox box for the building keys. This allows us quick access after hours without excessive damage to the doors.

Inspection Signatures

Inspector Signature



Kurt Elkanich
FF/EMT
Fire Chief

kelkanich@graymaine.org

TO: Captain Kerry Joyce
FROM: Wendy Clark-Tarbox, Crime Analyst
DATE: December 4, 2023

SUBJECT: LIQUOR LICENSE RENEWAL INFORMATION

Per your request, I have compiled the following information on the Tailgate Bar & Grill located at 61 Portland Road in Gray. The time period queried was November 30, 2022 through December 3, 2023.

<u>nature</u>	<u>case number</u>	<u>date of incident</u>	<u>report status</u>
OUI	22-031643	12/8/2022	report/arrest
Traffic Offense	22-031668	12/8/2022	service provided
Traffic Offense	22-031764	12/9/2022	written warning issued
Traffic Offense	23-000355	1/5/2023	written warning issued
Traffic Offense	23-000709	1/7/2023	written warning issued
Traffic Offense	23-000717	1/7/2023	written warning issued
Traffic Offense	23-001405	1/14/2023	written warning issued
Wanted Person	23-001412	1/14/2023	report/arrest
Traffic Offense	23-001656	1/17/2023	written warning issued
Traffic Offense	23-002056	1/21/2023	written warning issued
Alarm	23-002499	1/26/2023	service provided
Traffic Offense	23-002669	1/27/2023	written warning
Traffic Offense	23-002786	1/28/2023	service provided
Accident, PD	23-002809	1/29/2023	report
OUI	23-002810	1/29/2023	report/arrest
Traffic Offense	23-005434	2/25/2023	written warning issued
Lost Property	23-006320	3/7/2023	service provided
Property Check	23-007462	3/19/2023	service provided
Traffic Offense	23-012815	5/6/2023	written warning issued
OUI	23-020238	7/8/2023	report/arrest
Court Service	23-020247	7/8/2023	service provided
Alarm	23-033078	10/26/2023	service provided
Attempt to Locate	23-034743	11/11/2023	service provided
Agency Assist	23-035387	11/19/2023	service provided

Town Clerk

From: Town Clerk
Sent: Thursday, November 16, 2023 8:39 AM
To: Clunie, Carol
Subject: RE: Liquor License Renewal - Tailgate Bar & Grill, Gray ME

Thank you!

Britt L. Barton
Town Clerk
Town of Gray
24 Main Street, Gray, ME 04039
(207) 657-3339 x104
www.graymaine.org



From: Clunie, Carol <Carol.Clunie@maine.gov>
Sent: Thursday, November 16, 2023 8:39 AM
To: Town Clerk <townclerk@graymaine.org>
Subject: RE: Liquor License Renewal - Tailgate Bar & Grill, Gray ME

Liquor Licensing has no issue with Tailgate Bar & Grill.



Carol Clunie
Enforcement Associate
BABLO Liquor Licensing and Enforcement
Phone: 207-287-4472 Email: carol.clunie@maine.gov
8 State House Station, Augusta, ME 04330

From: Town Clerk <townclerk@graymaine.org>
Sent: Wednesday, November 15, 2023 12:30 PM
To: Clunie, Carol <Carol.Clunie@maine.gov>; clark@cumberlandcounty.org
Subject: Liquor License Renewal - Tailgate Bar & Grill, Gray ME

EXTERNAL: This email originated from outside of the State of Maine Mail System. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Afternoon,

Regarding the following business, do your records indicate any liquor related violations, complaints, or infractions? With a period of November 30, 2022, to current date.

2024 GENERAL CDBG PROGRAM APPLICATION

CHECKLIST

SUBMIT COMPLETED CHECKLIST WITH APPLICATION

Please submit each section of the application, including this checklist:

- A. Cover Page**, *limit 1 page*
- B. Summary Sheet**, *limit 1 page*
- C. General CDBG Application Narrative Questions**, *page limits vary*
- D. Budget: Revenues and Expenditures**, *limit 1 page*
Budget worksheet MUST match budget listed on the Cover Page, Summary page, and in the narrative
- E. Demonstration of Endorsement by Elected Officials**
- F. Multi-community Additional Questions & Signature Page**

Required documents for non-profit organizations:

- Verification of 501(c)3 Status**, *limit 1 page*
- Agency Organizational Chart** to show how the proposed program fits into the overall organizational structure; include program staff or positions, *limit 1 page*
- Most Recent Agency Operating Budget Summary**, *limit 1 page*
- Most Recent Independent Auditors Report and identified findings** or *if an Audit is not available* the most recent 990 Financial Statement
- Complete list of Board Members**

Checklist Completed By

Date:

2024 GENERAL APPLICATION COVER PAGE

Application Type	<input checked="" type="checkbox"/> General - non- eco dev. <input type="checkbox"/> General - Economic Development <input type="checkbox"/> General - Multi-Jurisdictional		
Lead Town/City/ Agency	(Name of lead community and any additional partner communities) Town of Gray, ME		
Project Name	12B Collyer Brook Road		
Mailing Address	Town of Gray, Henry Pennell Municipal Complex 24 Main Street, Gray, ME 04039		
Project Address	12B Collyer Brook Road Gray, ME 04039		
Authorized Official	Josh Tiffany, Interim Town Manager, Town Treasurer	Phone 207-657-3339	Email townmanager@graymaine.org
Project Director	Josh Tiffany, Interim Town Manager, Town Treasurer	Phone 207-657-3339	Email townmanager@graymaine.org
Financial Contact	Josh Tiffany, Town Treasurer	Phone 207-657-3339	Email townmanager@graymaine.org
Person who completed the Application	Rain Daugherty, Avesta Housing	Phone 860-405-6504	Email RDaugherty@avestahousing.org
Amount of CDBG Funds Requested	\$90,000	Total Project Budget \$90,000	
UEI Number	MY8CKNEJAW27	<i>*NOTE: An application will not be accepted without a Unique Entity ID Number – Please ask for assistance if your town/city does not have one yet.</i>	

Name and Signature of Authorized Official

Date

GENERAL APPLICATION SUMMARY SHEET

1. **HUD National Objective.** Indicate which National Objective this program activity will address; choose one

- Low and Moderate Income Clientele (LMC):** an activity which provides benefits to a specific group of persons of which at least 51% qualifies as low/mod income.

Does this activity benefit a population that HUD presumes to be low to moderate income, including *abused children, elderly persons, battered spouses, homeless persons, illiterate adults, severely disabled adults, persons living with AIDS, and migrant farm workers?*

- No Yes (please circle appropriate population)

- Low and Moderate Income Area Benefit (LMA):** an activity *which is available to benefit all the residents of an eligible area/census tract*, plus housing authority properties.

If you choose LMA, please provide a map and outline on the map the area that your program serves.

2. **HUD Program Objectives.** Indicate which HUD program objective this program will address; choose one:

- Creating a Suitable Living Environment**
 Providing Decent Affordable Housing
 Creating Economic Opportunity

3. **Beneficiaries.**

A. Describe the beneficiaries or clients served by the program.	A. One household at or below 65% AMI
B. How many Cumberland County residents will be served by the proposed program? (unduplicated -per year)	B. One household
C. How many are <i>low to moderate income Cumberland County residents</i> ?	C. One household

4. **Documentation**

A. How will the beneficiaries' information be collected and documented?	A. Income verification through Avesta application and mortgage approval.
B. How will the outcomes be measured, collected, and documented?	B. Closing documents including Closing Disclosure/Statement.

GENERAL APPLICATION QUESTIONS

Respond to the narrative questions in a maximum of six pages or seven pages for multi-jurisdictional project applications.

1. Provide a **brief summary** (400 words maximum) of the proposed project. - **10 points.**

12B Collyer Brook Road in the Town of Gray is an abandoned three-bedroom deed restricted affordable house that is a part of Collyer Brook Association, a 22-unit condominium subdivision of affordable deed restricted owner-occupied single-family and duplex homes. Avesta Housing (formerly York-Cumberland Housing) developed this project in the 1990s and retains the responsibility of performing the calculations for the maximum resale price of each unit and income qualifying the buyers per the deed restriction formula.

Acknowledging the critical lack of affordable homeownership opportunities in Cumberland County, Avesta seeks to purchase 12B Collyer Brook Road from the current owner or the lender for the maximum 2023 sales price per the formula which equals \$183,213.

The unit has been vacant for at least five years and requires rehabilitation before reselling the home to a low-income individual or family. The estimated cost is \$65,000.

The income of the buyers for this unit at Collyer Brook Association must not exceed 65 percent of the Area Median Income (AMI). Currently, 65% AMI equals \$77,675 for a family of four. To increase the affordability and the pool of qualified buyers, Avesta proposes to reduce the resale price by \$25,000. This new resale price post-rehabilitation would be \$158,213.

2. Provide a response to the four questions below defining and justifying the **need for the activity**. - **20 points**

MaineHousing's 2022 Homeownership Housing Facts and Affordable Index for Cumberland County:

Affordability:	Unaffordable
Median Home Price:	\$ 485,000
Median Income:	\$ 87,921
Income Needed to Afford Median Home Price - Annual:	\$ 151,558
Income Needed to Afford Median Home Price - Hourly:	\$ 72.86
Home Price Affordable to Median Income:	\$ 281,354
Households Unable to Afford Median Home (%):	77.20%
Households Unable to Afford Median Home (Number of):	99,740
Total Number of Households:	129,133
Percentage of Unattainable Homes Sold:	93.10%
Affordable Homes Sold:	230
Unattainable Homes Sold:	3102

Long-term measurable difference: 12B Collyer Brook Road is deed restricted for affordable homeownership in four significant ways. (1) The following restrictions do not expire. The restrictions run with the land per the deed and condo documents. (2) The home must be owner-occupied. (3) The income of the buyers for this unit at Collyer Brook Association must not exceed 65 percent of the Area Median Income (AMI). (4) The resale formula is based on the Cost Basis of the property when it was purchased, plus the Allowable Appreciation. The Allowable Appreciation is calculated by applying the total percentage increase in the median family income from the date of the deed. For example:

Maximum Sales Price #12B Collyer Brook (Lot 9B)		
Purchase Date	8/1/2007	
Purchase Price	\$102,875	
Cost Basis	\$102,875	(Purchase Price)
2007	\$67,100	(Purchase Year Median Income)
2023	\$119,500	(Selling Year Median Income)
% Increase	0.78	(Selling Year-Purchase Year)/Purchase Year
Allowable Appreciation	\$80,338	
New Cost Basis	\$183,213	(% Increase applied to Cost Basis)+Cost Basis
Max Sales Price	\$183,213	Maximum allowable sale price

How does the project relate to the community’s long-range planning: The Town of Gray’s Comprehensive Plan dated September 15, 2020, expresses the need to increase housing opportunities while balancing the town’s rural character, and desire for land and natural resource conservation. Rehabilitating this home will unlock an existing affordable homeownership opportunity for a low-income family while remediate a blight that currently has a negative impact on the neighborhood. The Collyer Brook Road subdivision includes a 23-acre parcel under a conservation easement held by the Royal River Conservation Trust. 12B Collyer Brook Road abuts this parcel and is in keeping with the town’s desire to provide residents with meaningful access to the town’s natural resources.

3. Management of the proposed activity – 10 points

- a. Define *who* will manage the grant funded project and *how* they will manage it. The management team for this project is the staff of Avesta’s HomeOwnership Center Department. Nicole DiGeronimo is the department director supported by Rain Daugherty and Madisen Corcoran, HUD-certified Housing Counselors. They will coordinate with Avesta Construction Services. All required CDBG funding procurement and construction standards will be met.
- b. Explain the experience of the applicant in undertaking projects of similar complexity. Avesta owns and/or manages more than 108 affordable housing developments in Maine and New Hampshire, serving over 4421 residents. The Avesta Housing management portfolio consists of state- and federally-assisted rental housing for families, seniors, people with disabilities, and the chronically homeless, and we currently have more than 800 additional units in our project pipeline, representing over \$400 million in total

development cost. Avesta currently has total assets of \$396 million and a \$47 million annual budget. Our 15-member Board of Directors is drawn from the financial, business, public sector, social service, and housing spheres, and we have approximately 298 employees. We consistently receive high marks from our state, federal, and private-sector partners, and we are recognized nationally for groundbreaking work in bringing together nonprofit, for-profit, private and public-sector organizations for the benefit of our communities.

c. Demonstrate ongoing commitment.

Stewardship is an Avesta core value. The HomeOwnership Center department staff provides technical assistance and support to the Collyer Brook Association homeowners and has longstanding responsibility for calculating the maximum resale price and income qualifying potential homebuyers. Avesta is committed to preserving affordability for its legacy and future homeownership projects.

4. Demonstrate that the project is **ready to proceed** – 20 points

For construction related projects:

- Describe the steps that have *been* completed or must *be* completed.
 1. Acquisition: Includes locating current owners and lender to present purchase offer. Status of mortgage is unknown but suspected to be in default.
 2. Access to interior to confirm condition and work needing to be done.
 3. Avesta Construction Services estimate the construction work to be completed in 4 to 6 weeks upon approval. Avesta has other active projects in the area which will be coordinated for efficiency while meeting CDBG procurement requirements.
- Describe any existing and/or potential impediments to project initiation.
 1. Acquisition efforts have commenced but this process may delay the project initiation.
 2. Driveway repair and overlay paving is weather dependent.

5. **Budget for project.** Fill in the attached budget form *and provide the basis for determination of budget amounts (Appendix IV).* - 5 points

Describe how funds, including match when applicable, will be distributed between project elements.

The unit has been vacant for at least five years and requires rehabilitation before reselling the home to a low-income individual or family. The estimated cost is \$65,000.

To increase the affordability and the pool of qualified buyers, Avesta proposes to reduce the resale price by \$25,000.

Avesta's 20% match requirement equals \$18,000 which will be applied to the resale price reduction. Staff time for project administration will not be included in Avesta's match.

Applications will not be accepted without a completed budget.

6. **Implementation schedule** for project: - **5 points**

There are many types of projects, each with their own set of typical activities and timelines. Describe the implementation schedule for this program.

For construction projects- please provide a timeline including design, bid, construction start date, and estimated completion date.

- Acquisition completed by July 1, 2024
- Procurement and construction completed by September 1, 2024
- Resold to qualified low-income home buyer by December 31, 2024

7. **Need for CDBG Funds**

7A) NON-ECONOMIC DEVELOPMENT ONLY

Provide a response to the three questions demonstrating the **need for CDBG program funds** - **15 points**

- a. Why are CDBG funds critical for the commencement and ultimate success of the project?

Due to the affordability deed restricted resale formula, this home does not have the option of capturing market equity to cover the rehabilitation and construction costs needed to remediate the blighted condition. Moreover, if resold in the current condition, a low-income family making 65% of AMI would have difficulty affording the rehab costs post-purchase or a mortgage that includes the funds for the rehab work.

- b. Have you, or will you, seek funds from other sources? If so, what are those funding sources?

If not awarded the CDBG funds to support this project, Avesta will pursue alternate grant funding including the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, which is a part of the American Rescue Plan.

- c. What is the impact on the project if CDBG funds are not received or if only partial CDBG funds are received?

Avesta will continue to pursue the acquisition of 12B Collyer Brook Road. If CDBG funds are not available to complete the rehab and support the reduction of the resale price, it may delay the availability of this low-income homeownership opportunity in the Town of Gray.

8. **Distress Score**

Per Appendix VI: The Town of Gray has a distress score of 5.

9. **Multi-Jurisdictional Bonus**

N/A

APPENDIX I: BUDGET

*A completed budget must be submitted with the application

Revenues: List ALL funding sources for the proposed program.	Please indicate: Secured or Projected	Revenues TOTAL
CDBG Request	Projected	\$ 90,000
Other HUD Funds (please list)		
a.		
Other Federal Funds (please list)		
a.		
b.		
State/ County Funds (please list)		
a.		
b.		
Local Funds		
Private Funds (Grants, Fundraising, etc., please list)		
a. Resale to income qualified low-income homebuyer	Projected	\$ 158,213
b.		
In Kind Services		
TOTAL PROGRAM or PROJECT REVENUE		\$ 248,213

EXPENDITURES: Feel free to edit categories as relevant to your program	CDBG Expenditures	Expenditures All Other Sources	TOTAL Expenditures
Acquisition - Avesta		\$ 183,213	\$ 183,213
Construction Rehab	\$ 65,000		\$ 65,000
Resale reduction - Avesta		\$ 18,000	\$ 18,000
TOTAL PROGRAM or PROJECT EXPENSES			\$ 266,213

Admin Expenditures for CDBG Program	CDBG Expenditures	Expenditures All Other Sources	TOTAL Expenditures
Direct Admin Expenditures			
Indirect Admin Expenditures			

Internal Revenue Service

Date: December 8, 2003

Avesta Housing Development Corporation
99 School Street
Gorham, ME 04038-1030

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

DEC 15 2003

Person to Contact:

Jeremy L. Vogelpohl 31-03888
Customer Service Representative

Toll Free Telephone Number:

8:00 a.m. to 6:30 p.m. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

01-0315296

Dear Sir or Madam:

This is in response to the amendment to your organization's Articles of Incorporation filed with the state on October 9, 2003. We have updated our records to reflect the name change as indicated above.

In November 1976 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Avesta Housing Development Corporation
01-0315296

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

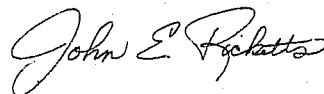
Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

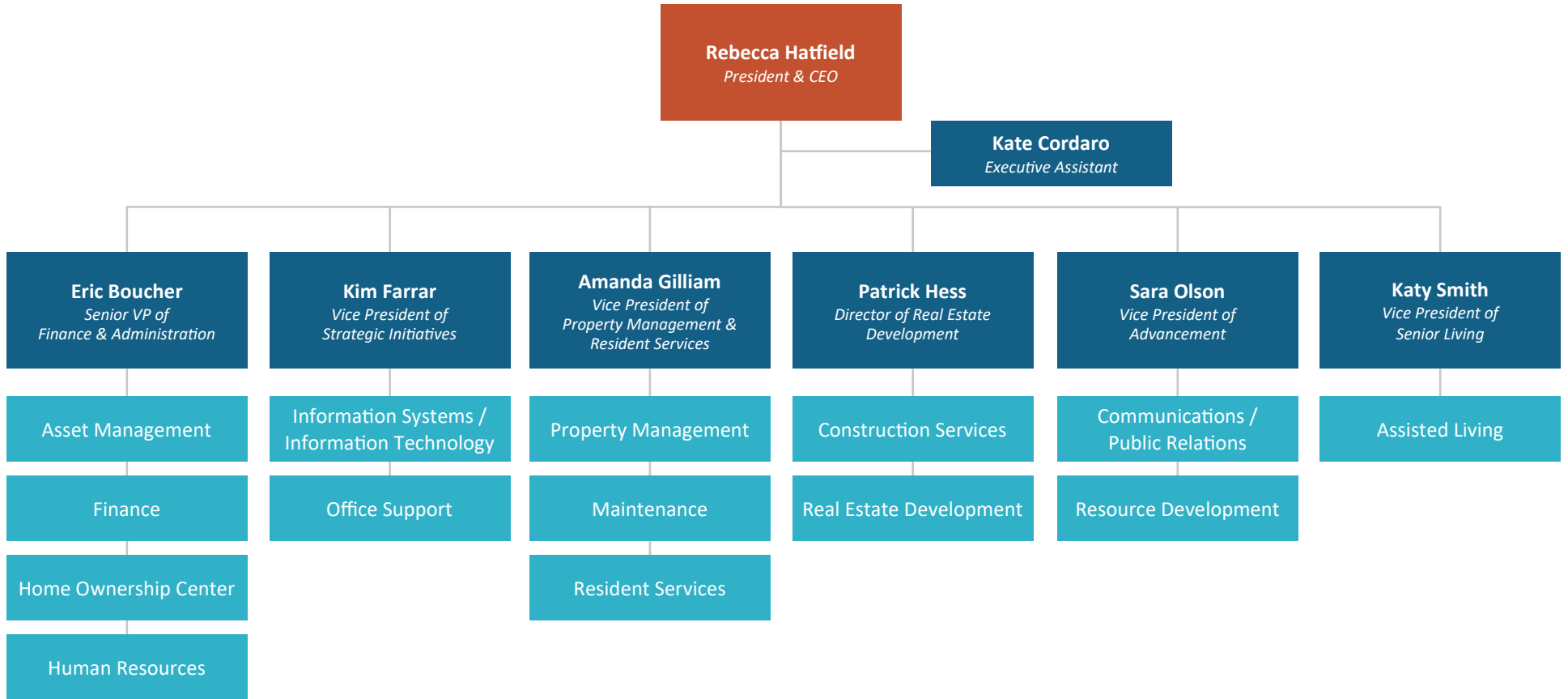
If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services



**Avesta Housing
2023 Combined Budget**

	2023 Budget
Revenue	
Related-party Management Fees	\$ 1,995,800
Development Fees	1,816,250
Property Management Fees	2,259,572
Site Management Fees	3,470,554
Maintenance Fees	3,000,831
Resident Service Fees	808,517
Accounting Fees	599,484
Landscaping Fees	419,094
MaineCare Income	2,015,171
Private Pay Income	8,527,569
Tenant Income	17,733,985
Subsidy Income	17,099,944
Vacancy Loss	(914,191)
Interest Subsidy	496,430
Laundry Income	141,367
Grant Income	1,638,500
Other income	2,254,531
Total Revenue	63,363,407
Expenses	
Wages and Benefits	20,222,922
Administrative Expenses	9,940,603
Operating Expenses	18,766,346
Grant Expenses	300,000
Other Expenses	3,988,767
Total Expenses	52,918,638
Net Operating Income	10,444,769
Interest & Depreciation	
Interest Expense	5,895,946
Depreciation Expense	10,921,004
Amortization Expense	101,635
Total Interest & Depreciation	16,918,584
Net Loss	\$ (6,473,815)

AVESTA HOUSING DEVELOPMENT
CORPORATION

FINANCIAL STATEMENTS

December 31, 2022 and 2021

AVESTA HOUSING DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Avesta Housing Development Corporation

Opinion

We have audited the accompanying consolidated financial statements of Avesta Housing Development Corporation (a non-profit organization) and affiliates, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Avesta Housing Development Corporation and affiliates as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Inn at Village Square, an affiliate through common controlling interest, which statements reflect total assets of \$4,020,383 and \$4,112,386 as of December 31, 2022 and 2021, respectively, and total revenues of \$2,522,949, and \$2,370,795, respectively, for the years then ended. We did not audit the financial statements of Seventy-Five State Street, an affiliate through common controlling interest, which statements reflect total assets of \$18,028,427 and \$13,728,048 as of December 31, 2022 and 2021, respectively, and total revenues of \$8,618,383 and \$7,880,219, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Inn at Village Square and Seventy-Five State Street, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits 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 Avesta Housing Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

During 2022, management discovered certain errors resulting in the misstatement of amounts previously reported for property, plant, and equipment, depreciation, other assets, administrative expense and net assets. As discussed in Note 32 to the financial statements, the amounts reported for these items have been adjusted in the 2022 financial statements now presented. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Avesta Housing Development Corporation's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Avesta Housing Development Corporation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Avesta Housing Development Corporation'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.



Certified Public Accountants

July 18, 2023
South Portland, Maine

AVESTA HOUSING DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	ASSETS	
	2022	Restated 2021
CURRENT ASSETS		
Cash	\$ 1,883,279	\$ 3,244,506
Cash - Project Operations	7,036,317	6,572,979
Unrestricted Investments (Note 2)	5,344,368	6,374,685
Accounts Receivable - Tenant (net of \$402,929 and \$32,365 allowance in 2022 and 2021, respectively)	956,960	1,109,963
Accounts Receivable - Contracts With Customers	295,608	292,045
Accounts Receivable - Other	221,346	214,830
Pledges Receivable (Note 22)	55,000	235,000
Prepaid Expenses	1,090,969	861,595
Total Current Assets	16,883,847	18,905,603
ASSETS HELD IN TRUST		
Tenant Security Deposits	1,800,262	1,639,907
457(b) Plan Assets Held in Trust (Notes 2 and 16)	489,122	514,993
Total Assets Held in Trust	2,289,384	2,154,900
RESTRICTED DEPOSITS AND RESERVES (Note 3)	29,866,072	23,881,241
PROPERTY, PLANT AND EQUIPMENT (Note 4)		
Land and Improvements	42,643,350	40,232,119
Buildings and Improvements	354,615,932	337,713,696
Furnishings and Equipment	17,074,683	15,996,117
Construction in Process	35,574,638	9,024,634
Total	449,908,603	402,966,566
Less Accumulated Depreciation	111,703,134	102,654,668
Net Property, Plant and Equipment	338,205,469	300,311,898
OTHER ASSETS		
Other Assets (Note 5)	4,410,779	3,821,716
Pledges Receivable (Note 22)	20,000	-
Seventy-Five State Street Endowment (Note 17)	3,863,110	4,264,875
Operating Lease Right-of-Use Assets (Note 28)	3,079,744	3,113,280
Financing Lease Right-of-Use Assets (Note 28)	500,000	-
Total Other Assets	11,873,633	11,199,871
TOTAL ASSETS	\$ 399,118,405	\$ 356,453,513

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)

December 31, 2022 and 2021

LIABILITIES AND NET ASSETS

LIABILITIES

	<u>2022</u>	<u>Restated 2021</u>
CURRENT LIABILITIES		
Accounts Payable - Operations	\$ 625,024	\$ 877,357
Accounts Payable - Construction (Note 13)	7,460,233	3,482,528
Accrued Liabilities	2,265,876	2,354,168
Accrued Interest	309,391	389,823
Prepaid Rent	379,674	388,438
Estimated Third-Party Payor Settlements	50,529	29,376
Deferred Revenue	100,000	263,359
Current Portion of Long-term Debt	<u>27,358,669</u>	<u>11,329,680</u>
Total Current Liabilities	<u>38,549,396</u>	<u>19,114,729</u>
ASSETS HELD IN TRUST - LIABILITIES		
Tenant Security Deposits	1,854,621	1,693,556
457(b) Plan Assets Held in Trust (Notes 2 and 16)	<u>489,122</u>	<u>514,993</u>
Total Assets Held in Trust - Liabilities	<u>2,343,743</u>	<u>2,208,549</u>
LONG-TERM LIABILITIES		
Mortgage Notes and Bonds Payable (Note 4)	212,131,458	177,142,132
Deferred Interest Payable	6,450,397	5,877,867
Operating Lease Liabilities (Note 28)	2,395,417	2,393,708
Deferred Financing Fees	<u>(1,233,435)</u>	<u>(1,127,581)</u>
Total	219,743,837	184,286,126
Less Current Portion	<u>27,358,669</u>	<u>11,329,680</u>
Net Long-term Liabilities	<u>192,385,168</u>	<u>172,956,446</u>
TOTAL LIABILITIES	<u>233,278,307</u>	<u>194,279,724</u>
NET ASSETS		
NET ASSETS		
Net Assets Without Donor Restrictions - Controlling	31,613,909	30,008,856
Net Assets Without Donor Restrictions - Non-Controlling (Note 9)	120,401,713	118,343,228
Net Assets With Donor Restrictions - Controlling (Note 8)	<u>13,824,476</u>	<u>13,821,705</u>
TOTAL NET ASSETS	<u>165,840,098</u>	<u>162,173,789</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 399,118,405</u>	<u>\$ 356,453,513</u>

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Development Fees (Note 10)	\$ 1,779,707	\$ -	\$ 1,779,707
Property Management Fees	360,912	-	360,912
Site Management Fees	659,888	-	659,888
Maintenance Fees	380,330	-	380,330
Inn at Village Square Resident Income (Note 27)	2,340,710	-	2,340,710
Seventy-Five State Street Resident Income (Note 27)	8,409,209	-	8,409,209
Tenant Income	15,868,294	-	15,868,294
Subsidy Income (Note 15)	15,807,081	-	15,807,081
Interest Subsidy	552,763	-	552,763
Refundable Historic Rehabilitation Credit (Note 14)	369,045	-	369,045
Other Grants and Contributions	2,415,347	508,802	2,924,149
Contributed Nonfinancial Assets (Note 30)	1,521,421	-	1,521,421
Release from Restrictions	421,490	(421,490)	-
Unrealized Gains (Losses) on Investments	(1,678,902)	(158,462)	(1,837,364)
Realized Gains (Losses) on Investments	221,055	61,780	282,835
Forgiveness of Debt	133,333	-	133,333
Other Income	1,998,420	12,141	2,010,561
	<u>51,560,103</u>	<u>2,771</u>	<u>51,562,874</u>
EXPENSES			
Wages and Benefits (Note 16)	18,779,647	-	18,779,647
Administrative Expenses	3,896,185	-	3,896,185
Operating Expenses	12,365,800	-	12,365,800
Other Expenses	3,641,513	-	3,641,513
	<u>38,683,145</u>	<u>-</u>	<u>38,683,145</u>
Total Income Before Interest, Depreciation and Amortization	<u>12,876,958</u>	<u>2,771</u>	<u>12,879,729</u>
Interest Expense	5,697,496	-	5,697,496
Depreciation and Amortization	11,156,821	-	11,156,821
	<u>16,854,317</u>	<u>-</u>	<u>16,854,317</u>
Net Increase (Decrease) in Net Assets	<u>\$ (3,977,359)</u>	<u>\$ 2,771</u>	<u>\$ (3,974,588)</u>

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2021

	Restated Without Donor <u>Restrictions</u>	With Donor Restrictions	Restated Total
REVENUES			
Development Fees (Note 10)	\$ 1,760,330	\$ -	\$ 1,760,330
Property Management Fees	360,723	-	360,723
Site Management Fees	616,062	-	616,062
Maintenance Fees	409,398	-	409,398
Inn at Village Square Resident Income (Note 27)	1,960,321	-	1,960,321
Seventy-Five State Street Resident Income (Note 27)	7,110,886	-	7,110,886
Tenant Income	13,997,208	-	13,997,208
Subsidy Income (Note 15)	14,277,595	-	14,277,595
Interest Subsidy	553,124	-	553,124
Refundable Historic Rehabilitation Credit (Note 14)	369,045	-	369,045
Other Grants and Contributions	879,798	856,572	1,736,370
Release from Restrictions	735,591	(735,591)	-
Unrealized Gains (Losses) on Investments	1,231,293	152,317	1,383,610
Realized Gains (Losses) on Investments	237,515	(70,198)	167,317
Forgiveness of Debt	1,597,223	-	1,597,223
Other Income	1,535,101	57,940	1,593,041
	<u>47,631,213</u>	<u>261,040</u>	<u>47,892,253</u>
EXPENSES			
Wages and Benefits (Note 16)	16,566,785	-	16,566,785
Administrative Expenses	3,021,798	-	3,021,798
Operating Expenses	10,748,360	-	10,748,360
Other Expenses	3,377,335	-	3,377,335
	<u>33,714,278</u>	<u>-</u>	<u>33,714,278</u>
Total Income Before Interest, Depreciation and Amortization	<u>13,916,935</u>	<u>261,040</u>	<u>14,177,975</u>
Interest Expense	5,097,339	-	5,097,339
Depreciation and Amortization	10,207,102	-	10,207,102
	<u>15,304,441</u>	<u>-</u>	<u>15,304,441</u>
Net Increase (Decrease) in Net Assets	<u>\$ (1,387,506)</u>	<u>\$ 261,040</u>	<u>\$ (1,126,466)</u>

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION
 CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Multi-Family Housing Operations	Assisted Living	Real Estate Development	Property Management	Home Ownership	General and Administrative	Fundraising	Totals
Wages and Benefits	\$ 111,443	\$ 5,622,799	\$ 1,887,986	\$ 8,801,278	\$ 570,181	\$ 1,462,130	\$ 323,830	\$ 18,779,647
Administrative Expenses	1,256,478	184,876	636,841	93,991	18,697	1,590,677	114,625	3,896,185
Operating Expenses	9,420,991	1,930,157	362,084	411,119	-	241,449	-	12,365,800
Other Expenses	3,534,721	17,647	9,592	50,167	-	29,386	-	3,641,513
Interest	5,223,487	323,378	111,681	38,950	-	-	-	5,697,496
Depreciation and Amortization	9,952,321	876,777	183,523	144,200	-	-	-	11,156,821
Total Expenses	<u>\$ 29,499,441</u>	<u>\$ 8,955,634</u>	<u>\$ 3,191,707</u>	<u>\$ 9,539,705</u>	<u>\$ 588,878</u>	<u>\$ 3,323,642</u>	<u>\$ 438,455</u>	<u>\$ 55,537,462</u>

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Restated Multi-Family Housing Operations	Assisted Living	Real Estate Development	Property Management	Home Ownership	General and Administrative	Fundraising	Restated Totals
Wages and Benefits	\$ 115,779	\$ 5,343,433	\$ 1,563,827	\$ 7,568,666	\$ 477,801	\$ 1,246,475	\$ 250,804	\$ 16,566,785
Administrative Expenses	935,608	104,212	371,148	97,995	6,405	1,454,128	52,302	3,021,798
Operating Expenses	8,166,106	1,773,824	238,031	376,553	-	193,846	-	10,748,360
Other Expenses	3,028,057	39,585	236,441	44,744	-	28,508	-	3,377,335
Interest	4,803,265	125,765	128,287	40,022	-	-	-	5,097,339
Depreciation and Amortization	9,154,721	760,724	184,191	107,466	-	-	-	10,207,102
Total Expenses	<u>\$ 26,203,536</u>	<u>\$ 8,147,543</u>	<u>\$ 2,721,925</u>	<u>\$ 8,235,446</u>	<u>\$ 484,206</u>	<u>\$ 2,922,957</u>	<u>\$ 303,106</u>	<u>\$ 49,018,719</u>

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
For the Years Ended December 31, 2022 and 2021

	Restated Net Assets Controlling			Restated Net Assets Non-Controlling	Restated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Total Net Assets
Net Assets December 31, 2020	\$ 26,919,316	\$ 13,560,665	\$ 40,479,981	\$ 108,558,513	\$ 149,038,494
Prior Period Adjustment (Note 32)	(138,822)	-	(138,822)	410,200	271,378
Net Increase (Decrease) in Net Assets	3,074,678	261,040	3,335,718	(4,462,184)	(1,126,466)
Distributions	-	-	-	(164,300)	(164,300)
Other Transfers (Note 26)	153,684	-	153,684	-	153,684
Capital Contributions (Note 11)	-	-	-	14,000,999	14,000,999
Net Assets December 31, 2021	30,008,856	13,821,705	43,830,561	118,343,228	162,173,789
Net Increase (Decrease) in Net Assets	1,605,053	2,771	1,607,824	(5,582,412)	(3,974,588)
Distributions	-	-	-	(186,643)	(186,643)
Capital Contributions (Note 11)	-	-	-	7,827,540	7,827,540
Net Assets December 31, 2022	<u>\$ 31,613,909</u>	<u>\$ 13,824,476</u>	<u>\$ 45,438,385</u>	<u>\$ 120,401,713</u>	<u>\$ 165,840,098</u>

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	2022	Restated 2021
Cash Flows from Operating Activities		
Decrease in Net Assets	\$ (3,974,588)	\$ (1,126,466)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	11,156,821	10,207,102
Amortization of Deferred Financing Fees	65,956	65,454
Reduction in Operating Lease Right-of-Use Asset	33,536	33,562
Forgiveness of Debt	(133,333)	(1,597,223)
Loss on Disposal of Other Assets	63,687	210,241
Loss (Gain) on Disposal of Fixed Assets	(7,034)	29,684
Accretion of Bond Premiums	26,253	(41,778)
Gain on Extinguishment of Debt	(16,868)	-
Realized Gains on Investments	(282,835)	(167,317)
Unrealized (Gains) Losses on Investments	1,837,364	(1,383,610)
Contributed Nonfinancial Assets	(1,521,421)	-
Changes in Operating Assets and Liabilities:		
Accounts and Pledges Receivable	302,924	(480,753)
Prepaid Expenses	(229,374)	(33,032)
457(b) Plan Assets Held in Trust	25,871	(129,560)
Development Fees Receivable	(137,649)	-
Accounts Payable	(161,032)	343,784
Accrued Liabilities	(88,292)	357,007
Accrued Interest	(80,432)	5,984
Prepaid Rent	(8,764)	192,157
Estimated Third-Party Payer Settlements	21,153	(15,420)
Deferred Revenue	(163,359)	153,757
Tenant Security Deposits	161,065	141,795
457(b) Plan Assets Held in Trust - Liability	(25,871)	129,560
Change in Operating Lease Liability	1,709	1,861
Deferred Interest	572,530	568,076
Net Cash Provided by Operating Activities	<u>7,438,017</u>	<u>7,464,865</u>
Cash Flows from Investing Activities		
Deposits to Unrestricted Investments	(177,093)	(172,099)
Withdrawals from Unrestricted Investments	112,258	90,929
Deposits to Seventy Five State Street Endowment	(57,612)	(1,446,169)
Withdrawals from Seventy Five State Street Endowment	-	1,450,094
Purchases of Property, Plant and Equipment	(41,459,170)	(27,863,488)
Proceeds from the Sale of Property, Plant and Equipment	121,820	-
Upfront Lease Payments - Financing Lease Right-of-Use Assets	(500,000)	-
Proceeds from Other Assets	2,746,911	3,326,525
Purchases of Other Assets	(3,309,869)	(2,531,359)
Net Cash Used by Investing Activities	<u>(42,522,755)</u>	<u>(27,145,567)</u>
Cash Flows from Financing Activities		
Proceeds from Long-term Debt	46,442,180	32,819,505
Repayments of Long-term Debt	(13,552,979)	(20,176,068)
Payment of Deferred Fees	(198,063)	(114,094)
Net Asset Transfers	-	213,454
Distributions to Investor Limited Partners	(186,643)	(164,300)
Capital Contributions from Investor Limited Partners	7,827,540	14,000,999
Net Cash Provided by Financing Activities	<u>40,332,035</u>	<u>26,579,496</u>
Increase in Cash, Cash Equivalents and Restricted Cash	5,247,297	6,898,794
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	<u>35,338,633</u>	<u>28,439,839</u>
Cash, Cash Equivalents and Restricted Cash at End of Year	<u>\$ 40,585,930</u>	<u>\$ 35,338,633</u>

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Continued)

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Supplemental Disclosure of Cash Flows Information:		
Cash Paid During the Year for:		
Interest (Net of Capitalized Interest of \$527,346 and \$722,215 in 2022 and 2021, respectively)	<u>\$ 4,586,679</u>	<u>\$ 3,904,701</u>
Noncash Investing and Financing Activities:		
Purchases of Property and Equipment Included in Accounts Payable	\$ 7,307,218	\$ 3,481,130
Purchases of Other Assets Included in Accounts Payable	224,276	163,960
Property and Equipment Obtained in Exchange for Notes Payable	2,250,326	-
Contributed Nonfinancial Assets	1,521,421	-
Increase in Property and Equipment from Entities Transferred to AHDC	-	208,094
Increase in Long-term Debt from Entities Transferred to AHDC	-	248,193
Increase in Long-term Debt from Deferred Interest	-	334,620
Extinguishment and Acquisition of Long-term Debt	1,106,954	-
Forgiveness of Debt	<u>133,333</u>	<u>1,597,223</u>
Total Noncash Investing and Financing Activities	<u>\$ 12,543,528</u>	<u>\$ 6,033,220</u>

See accompanying notes to the financial statements.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Avesta Housing Development Corporation (AHDC) is a tax-exempt entity which was formed to develop, preserve, manage and advocate for quality affordable housing for individuals and families in need, and to provide technical assistance and consultation services to public and private sponsors of housing construction or rehabilitation for lower income occupancy. The Organization owns low-income and assisted-living housing projects located in Maine and New Hampshire, some of which are regulated by the U.S. Department of Housing and Urban Development (HUD), MaineHousing, Department of Human Services, New Hampshire Housing Finance Authority (NHHFA), or the U.S. Department of Agriculture - Rural Development (USDA - RD). The Organization also owns commercial rental properties in Southern Maine.

The financial statements include the statements of financial position and results of operations of the following projects, not legally separate entities, owned by the Organization:

Applewood	Parkview Apartments	Ridgewood
Brook Hollow	Pinebluff	Stonecrest
Kallock Terrace	Prescott Heights	Sunnyside
Orchard Terrace	Pumpkinville	Woods Edge
Peninsula Community I	Peninsula Community II	Logan Place
Fore River Apartments		

In addition, the financial statements include the statements of financial position and results of operations of the following affiliated entities, related through common controlling interest:

Avesta Housing Management Corporation	Saco Housing Development Corporation	South Windham Housing Corporation
Noble Housing Corporation	Maple Grove Elderly Housing Corporation	Berry Park Housing Corporation
Jordan Bay Place	Hill Street Terrace Housing Corporation	Pine Tree Housing Development, LLC
Five Graham Street	New Marblehead North Housing Corporation	Pine Tree Housing Development I, LLC
Village Square Housing Corporation	New Marblehead Seniors Housing Corporation	Pine Tree Housing Agency
Pinecone Housing Development Corporation	Edgecomb Woods	Avesta Waldoboro Woods LLC
Seventy-Five State Street	Pineneedle Housing Development LLC	Florence House Housing Corporation
Avesta Ingraham House LLC	Avesta Four Meeting Place LLC	Gray Senior Housing, Inc.
Avesta Consulting Services, Inc.	Windham Seniors Housing Corporation	AHMC Landscaping, LLC

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The Organization consolidates limited partnerships in which the Organization (or an affiliate) is the sole general partner with controlling interest, regardless of the amount of ownership interest. The financial statements include the statements of financial position and results of operations of the following limited partnerships:

South High Street Associates LP	Avesta Emery School LP	Avesta Munjoy Commons LP
YC Pines LP	Riverside Housing	Avesta Oak Street LP
YC Manchester Woods LP	Associates LP	Avesta Stonecrest LP
Avesta Florence House LP	Avesta New Marblehead	Avesta Hyacinth LP
Avesta Cascade Brook LP	One LP	Avesta Golden Park Maple LP
Avesta Pearl Street Two LP	Avesta Lincoln Green LP	Avesta Antrim Village LP
Avesta 409 Cumberland LP	Bayside East LP	Peninsula Community LP 3
Avesta One Meeting Place LP	Avesta Pearl Street One LP	Avesta Washington Ave, LP
YC Cottage Associates LP	Avesta Brickhill Heights LP	Avesta Butler Payson LP
Avesta Fore River Housing LP	Avesta Blackstone LP	6 Meeting Place Drive Exeter
Avesta Young Street LP	Avesta Stephen Eaton	Limited Partnership
Avesta Fox School LP	Redevelopment LP	Avesta Steeple Square LP
Avesta Southgate LP	Avesta Cousens Housing	Avesta McIntyre LP
Avesta 977 Brighton LP	LP	Avesta Bishop Street LP
Avesta Deering Place LP	Avesta Three Meeting	Avesta Meadows One LP
Avesta Westbrook Street	Place LP	Avesta Carleton LP
One LP	Avesta Livermore Terrace	Avesta Meadows Two LP
Avesta Unity Village LP	LP	Avesta Valley Street LP
Avesta Westbrook Street	Avesta Hillside LP	Avesta Central and Crowley
Two LP	Avesta Snow School LP	LP
Avesta River Turn One LP	Avesta US Route One LP	Avesta Meadowview II LP
Avesta Willow Springs LP	Avesta Seavey Street LP	

Method of Accounting - The financial statements of the Organization are prepared on the accrual basis of accounting, and include only those assets, liabilities and results of operations which relate to the business of the Organization.

Cash - For purposes of reporting cash flows, cash, cash equivalents and restricted cash includes cash on hand and amounts due from banks.

Cash - Project Operations - Cash - Project Operations is limited to use for specific purposes of the projects, subject to their regulatory agreements.

Unrestricted Investments - Unrestricted investments include investments in marketable securities with readily determinable fair values and are valued at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Net realized gains and losses on security transactions are determined on the specific identification cost basis.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, Plant and Equipment - Property, plant and equipment are stated at cost and are being depreciated using the straight-line method over their estimated useful lives (generally 5 to 40 years). Repairs and maintenance are expensed and betterments and renewals are capitalized as incurred. When assets are retired or disposed of, their cost and related accumulated depreciation are removed from the accounts and resulting gains and losses are reflected in income.

Income Taxes - No provision for taxes on income is made in the Organization's financial statements since the Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

In accordance with accounting principles generally accepted in the United States of America, management has evaluated its exposure to material tax positions and determined that there are no such tax positions requiring accounting recognition. Informational returns filed by the Organization are subject to examination by the Internal Revenue Service for a period of three years. While no informational returns are currently being examined by the Internal Revenue Service, the three previous tax years remain open. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

The consolidated Partnerships do not incur federal taxes; instead their earnings are included in the partners' income tax returns and are taxed depending on their respective tax situations. However, the Partnerships are subject to state income taxes in New Hampshire.

In accordance with accounting principles generally accepted in the United States of America, management has evaluated the Partnerships' exposure to material tax positions and determined that there are no such tax positions requiring accounting recognition. Income tax returns filed by the Partnerships are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, the three previous tax years remain open. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

A low income tax credit pursuant to the Internal Revenue Code Sec. 42 has been allocated to certain partnerships. This credit is allocated to the partners for inclusion in their respective tax returns. The projects owned by the partnerships must be maintained as low income rental projects to realize the tax credit. If the projects or any portion thereof are not low income, adverse tax consequences will occur.

Classification of Net Assets - The Organization's net assets are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions - Net assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Tax Credit Monitoring Fees - Tax credit monitoring fees are being amortized over fifteen years and are included in other assets in the statements of financial position.

Debt Issuance Costs - Debt issuance costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the term of the debt using the straight-line method, which approximates the effective interest method. The unamortized amount is presented as a reduction of long-term debt on the statements of financial position.

Contributions - The Organization recognizes gifts of cash and other assets as revenue without donor restrictions unless they are received with donor restrictions. Gifts with restrictions are reported as revenue with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor-restricted conditions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions in the period of receipt.

Unconditional and substantiated promises to give are recorded as revenue at estimated net realizable value. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measureable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. Certain contracts and grants are conditioned upon certain performance requirements and the allowance of qualifying expenses. Unconditional promises to give with payments due in future periods are discounted to present value and reported as revenue with donor restrictions.

Revenue Recognition - Revenue from developer fees, property and site management fees, maintenance fees and other contractual services is recognized when control of the promised service is transferred to the Organization's customers, in an amount that depicts the consideration the Organization expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

The Organization provides property management services on a contractual basis for owners of low income rental housing. These services include leasing, accounting, management, maintenance and assistance with compliance with regulatory agreements. The Organization is compensated for its services through a monthly management fee earned based on either a specified percentage of the monthly rental income or rental receipts generated from the property under management. The Organization is also reimbursed for its administrative and payroll costs directly attributable to the properties under management. Property management services represent a series of distinct daily services rendered over time. Consistent with the transfer of control for distinct, daily services to the customer, revenue is recognized at the end of each period for the fees associated with the services performed.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Resident service revenue is reported at the estimated net realizable amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident care. These amounts are due from residents and third-party payors (government programs), and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills self-pay residents prior to service and third-party payors several days after services are provided. Resident service revenue is recognized as performance obligations are satisfied. It is the Organization's expectation that the period between the time the service is provided to a resident and the time the resident or a third-party payor pays for that service will be one year or less. Self-pay residents generally pay in advance or within one month of service.

Under the Organization's long-term care contracts, the Organization provides services to residents for a stated daily fee. The Organization recognizes revenue for long-term care services in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, and related guidance.

Performance obligations are determined based on the nature of the resident services provided by the Organization. Resident service revenue for performance obligations satisfied over time is recognized based on actual services rendered. Generally, performance obligations are satisfied over time when the resident services are provided. The Organization measures the performance obligation from admission into the facility, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge.

Each performance obligation is separately identifiable from other promises in the resident contract. As the performance obligations are met (i.e., room, board, ancillary services), revenue is recognized based upon allocated transaction price. The transaction price is allocated to separate performance obligations based upon the relative standalone selling price.

Because all of its resident service performance obligations relate to contracts with a duration of one year or less, the Organization has elected to apply the optional exemption provided in FASB ASC Subtopic 606-10-50-14, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Incremental costs of obtaining contracts with customers are capitalized to the extent the Organization expects to recover them. Fulfillment costs are those costs that directly relate to a contract or anticipated contract that can be specifically identified, generate or enhance resources that will be used in satisfying or continuing to satisfy performance obligations in the future and are expected to be recovered.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization generally does not incur significant costs to acquire and fulfill contracts. When significant costs are incurred, they are capitalized and amortized over the duration of the respective contracts in proportion to the amount of revenue recognized. For the years ended December 31, 2022 and 2021, the Organization did not capitalize any contract acquisition or fulfillment costs.

The Organization recognizes net rental revenue in the period in which the rent is earned. Leases are for periods of up to one year, with rent and associated payments due monthly. Payments collected in advance are deferred until the rental income is earned. Other revenue can include fees for late payment, damages, laundry, and other charges and is recorded when earned.

Accounts Receivable - Accounts receivable is reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Advertising - The Organization expenses advertising costs as they are incurred.

Impairment of Long-Lived Assets - In accordance with the provisions of accounting for the impairment or disposal of long-lived assets, management reviews long-lived assets for impairments when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through July 18, 2023, the date the financial statements were available to be issued.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 2 - INVESTMENTS

At December 31, 2022 and 2021, the Organization's unrestricted investments and 457(b) plan assets held in trust were comprised of common stocks, bonds, treasury bills, money markets, and exchange traded funds with the following fair market values:

	2022	2021
Unrestricted Investments		
Common Stocks	\$ 4,066,939	\$ 5,039,878
Bonds	715,133	666,136
Treasury Bills	138,027	-
Exchange Traded Funds - Fixed Income	226,190	591,724
Exchange Traded Funds - Government Obligations	198,079	76,947
457(b) Plan Assets Held in Trust		
Money Markets	4,370	4,593
Exchange Traded Funds - Fixed Income	45,075	47,013
Exchange Traded Funds - Equity	430,852	453,178
Exchange Traded Funds - Real Estate	8,825	10,209
Total Investments	\$ 5,833,490	\$ 6,889,678

Pursuant to the FASB ASC 820, the Organization is required to make disclosures about the calculations (i.e. "inputs") used to generate fair value measurements, including their classification within a hierarchy that prioritizes the inputs to the fair value measurements. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Observable quoted prices in active markets for similar assets or liabilities or identical assets or liabilities in inactive markets; and
- Level 3: Inputs that are not based on observable market data.

At December 31, 2022 and 2021, the fair value of the Organization's investments was calculated using the following input data:

	2022	2021
Level 1 Input	\$ 5,118,357	\$ 6,223,542
Level 2 Input (Bonds)	715,133	666,136
Total	\$ 5,833,490	\$ 6,889,678

For the years ended December 31, 2022 and 2021, the return on unrestricted investments consisted of the following:

	2022	2021
Interest	\$ 9,332	\$ 7,397
Dividends	79,576	98,039
Realized Gains (Losses) on Investments	(10,707)	323,062
Unrealized Gains (Losses) on Investments	(1,084,445)	673,157
	\$ (1,006,244)	\$ 1,101,655

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 3 - RESTRICTED DEPOSITS AND RESERVES

Restricted deposits and reserves maintained by each project are generally restricted for use by the respective regulatory agencies. These amounts are designated for use to replace project assets and other purposes deemed appropriate by the respective regulatory agencies. Additional use restrictions include cash held for the construction and rehabilitation of affordable housing projects and donor or grantor specified purposes.

Restricted deposits and reserves were comprised of the following at December 31, 2022 and 2021:

	2022	2021
Tax and Insurance Reserves	\$ 986,433	\$ 988,335
Replacement Reserves	11,642,615	11,393,961
Residual Receipts Reserves	203,926	160,419
Operating Reserves	6,061,979	5,268,198
Other Reserves	1,803,321	1,733,973
Construction Cash	6,987,339	2,397,099
Donor Restricted Cash	2,044,858	1,438,551
Principal Fund	-	92,507
Interest Fund	-	38,577
Capital Improvement Reserve	135,601	369,139
Authority Fee	-	482
	\$ 29,866,072	\$ 23,881,241

NOTE 4 - LONG-TERM DEBT

Mortgage notes payable at December 31, 2022 and 2021 consisted of the following:

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
<u>MaineHousing:</u>					
AHDC (Avesta Stonecrest LP)	2043	0.000%	\$ -	\$ 1,185,101	\$ 1,185,101
AHDC (Avesta Steeple Square LP)	2045	0.000%	-	250,000	250,000
AHDC (Avesta McIntyre LP)	2046	0.000%	-	1,767,000	1,767,000
AHDC (Avesta Young Street LP)	2044	0.000%	-	1,000,000	1,000,000
Edgecomb Woods	2035	0.000%	-	50,000	50,000
South Windham Housing Corporation	2036	0.000%	-	200,000	200,000
YC Pines, LP	2034	0.000%	-	350,000	350,000
YC Manchester Woods LP	2035	0.000%	-	1,000,000	1,000,000
YC Cottage Associates LP	2036	0.000%	-	600,000	600,000
Avesta Fore River Housing LP	2036	7.000%	-	-	248,460
Avesta Fore River Housing LP	2036	0.000%	-	-	400,000
Avesta Pearl Street One LP	2038	0.000%	-	1,200,000	1,200,000

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
Avesta Brick Hill Heights LP	2038	7.000%	3,885	442,851	457,895
Avesta Brick Hill Heights LP	2038	4.600%	-	590,312	590,312
Avesta Stephen Eaton Redevelopment LP	2037	4.400%	-	600,000	600,000
Avesta Cousens Housing LP	2038	0.000%	-	1,100,958	1,100,958
Avesta Florence House LP	2040	7.000%	1,013	173,629	173,629
Avesta Florence House LP	2040	7.000%	40% annual surplus cash	91,835	106,058
Avesta Florence House LP	2040	3.000%	-	398,000	398,000
Avesta Munjoy Commons	2040	0.000%	-	2,173,568	2,173,568
Avesta Munjoy Commons	2026	0.000%	-	533,333	666,667
Avesta Munjoy Commons	2041	7.000%	5,655	710,554	728,008
Florence House Housing Corp.	2040	0.000%	-	1,624,000	1,624,000
Avesta Cascade Brook LP	2042	3.000%	-	600,000	600,000
Avesta Cascade Brook LP	2042	0.000%	-	1,284,991	1,284,991
Avesta Emery School LP	2042	7.000%	Interest Only	175,000	175,000
Avesta Oak Street LP	2042	0.000%	-	3,200,000	3,200,000
Avesta Oak Street LP	2042	0.000%	-	452,704	452,704
Avesta Oak Street LP	2042	6.500%	2,743	363,287	372,265
Avesta Pearl Street Two LP	2043	7.000%	Interest Only	1,350,000	1,350,000
Riverside Housing Associates LP	2042	0.000%	-	1,291,835	1,291,835
Riverside Housing Associates LP	2042	3.000%	-	600,000	600,000
Avesta Stonecrest LP	2043	6.000%	3,150	443,412	454,250
Avesta Stonecrest LP	2043	0.000%	-	500,000	500,000
Foxwell I	2036	7.000%	6,281	864,241	878,567
Foxwell I	2036	7.000%	4,661	642,219	652,788
Avesta 409 Cumberland LP	2045	6.000%	Interest Only	2,283,861	2,283,861
Avesta 409 Cumberland LP	2045	0.000%	-	1,225,000	1,225,000
Berry Park Housing Corporation	2043	2.000%	-	925,000	925,000
Berry Park Housing Corporation	2041	3.000%	-	600,000	600,000
Avesta Hyacinth LP	2044	2.000%	-	455,050	455,050
Avesta Hyacinth LP	2044	6.500%	Interest Only	245,000	245,000
Avesta New Marblehead One LP	2044	6.500%	1,801	250,040	255,220
Avesta New Marblehead One LP	2044	2.000%	-	416,215	416,215

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
Peninsula Community LP 3	2044	6.750%	3,897	608,248	613,752
Peninsula Community LP 3	2044	0.000%	-	85,000	85,000
Peninsula Community LP 3	2036	5.360%	-	145,000	145,000
Bayside East LP	2038	6.990%	665	76,473	79,006
Bayside East LP	2038	0.000%	-	76,310	76,310
Avesta Washington Ave.	2045	0.000%	-	700,000	700,000
Avesta Washington Ave.	2046	5.750%	Interest Only	368,903	368,903
Avesta Washington Ave.	2046	0.000%	-	560,000	560,000
Avesta Steeple Square LP	2046	0.000%	-	725,338	725,338
Avesta Steeple Square LP	2046	0.000%	-	49,945	49,945
Avesta McIntyre LP	2046	0.000%	-	184,606	184,606
Avesta McIntyre LP	2046	5.750%	Interest Only	764,688	764,688
Avesta Young Street	2046	5.750%	Interest Only	430,000	430,000
Avesta Young Street	2046	0.000%	-	295,800	295,800
Avesta Golden Park Maple	2045	6.000%	Interest Only	969,399	969,399
Avesta Butler Payson LP	2051	5.000%	Interest Only	375,000	375,000
Avesta Butler Payson LP	2046	5.750%	Interest Only	6,500,000	6,500,000
Avesta Blackstone LP	2048	0.000%	-	108,200	108,200
Avesta Fox School LP	2049	0.000%	-	370,000	370,000
Avesta Fox School LP	2049	0.000%	-	71,906	71,906
Peninsula Community I	2034	0.000%	-	180,000	180,000
Peninsula Community I	2034	4.840%	-	75,000	75,000
Peninsula Community I	2044	7.750%	2,021	284,899	286,979
Avesta 977 Brighton LP	2051	6.000%	Interest Only	703,787	703,787
Avesta Westbrook Street One LP	2052	0.000%	-	750,000	500,000
Avesta Westbrook Street One LP	2052	0.000%	-	250,000	-
Avesta Westbrook Street One LP	2052	6.000%	Interest Only	1,365,555	-
Logan Place	2035	4.570%	-	750,000	750,000
Brick Hill Townhouses	2045	6.000%	10,729	1,595,961	1,627,905
Brick Hill Townhouses	2035	0.000%	-	4,944,700	4,944,700

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
Brick Hill Townhouses	2035	4.750%	1,350	154,657	163,282
Peninsula Community II	2036	4.790%	-	320,000	320,000
Peninsula Community II	2036	7.500%	2,797	279,243	291,364
Avesta Unity Village LP	2023	3.500%	Interest Only	2,890,000	1,542,745
Avesta Unity Village LP	2023	3.500%	Interest Only	131,206	-
Avesta Hillside LP	2023	3.500%	Interest Only	4,104,717	496,700
Avesta Hillside LP	2053	0.000%	-	1,000,000	125,000
Avesta Westbrook Street Two LP	2053	0.000%	-	400,000	400,000
Avesta Valley Street LP	2023	3.500%	Interest Only	8,430,036	1,469,823
Fore River Apartments	2036	7.000%	2,262	238,389	-
Fore River Apartments	2036	0.000%	-	400,000	-
Pleasantwood South	2052	6.000%	Interest Only	1,095,000	-
Pleasantwood South	2052	3.000%	Interest Only	458,387	-
Pleasantwood South	2052	0.000%	-	190,720	-
Pleasantwood South	2052	5.000%	Interest Only	282,000	-
Pleasantwood Estates	2052	5.000%	Interest Only	2,538,999	-
Pleasantwood Estates	2052	7.000%	Interest Only	179,481	-
Pleasantwood Estates	2052	7.000%	Interest Only	191,906	-
Pleasantwood Estates	2052	7.000%	Interest Only	325,552	-
Avesta Snow School LP	2024	3.500%	Interest Only	1,248,829	-
Avesta Snow School LP	2053	0.000%	-	200,000	-
Avesta US Route One LP	2053	0.000%	-	558,821	-
<u>USDA - RD:</u>					
Gray Senior Housing, Inc.	2025	8.125%	726	42,104	57,168
Gray Senior Housing, Inc.	2047	7.250%	430	172,356	174,781
Broadway North	2040	4.000%	1,569	367,032	371,085
Parkview Apartments	2038	5.375%	516	223,391	225,381
Parkview Apartments	2038	5.375%	27	11,796	11,901
Parkview Apartments	2059	5.375%	1,352	580,750	585,922

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
Village Square Housing Corporation (Apartments)	2047	6.500%	3,150	1,193,960	1,214,994
Village Square Housing Corporation (Apartments)	2047	6.750%	2,997	1,148,279	1,167,763
South High Street Associates LP	2030	7.125%	2,131	889,295	899,231
YC Pines, LP	2034	6.375%	2,119	903,361	911,990
YC Manchester Woods LP	2035	5.375%	2,121	888,692	898,376
Avesta Stephen Eaton Redevelopment LP	2037	11.50%	3,102	890,678	953,200
Avesta Cousens Housing LP	2038	5.375%	2,124	918,618	926,799
Avesta Waldoboro Woods LLC	2038	5.750%	227	88,629	89,644
Avesta Waldoboro Woods LLC	2038	5.750%	952	370,752	375,002
Riverside Housing Associates	2042	3.125%	2,124	903,129	914,311
Avesta Stonecrest LP	2043	3.125%	2,119	905,435	916,511
Avesta New Marblehead One LP	2043	3.125%	182	77,718	78,658
Thirty Birch Lane	2047	7.250%	396	159,443	161,691
Thirty Birch Lane	2024	8.750%	937	39,676	60,855
Thirty Birch Lane	2030	10.00%	41	7,292	7,956
Avesta McIntyre LP	2046	3.000%	2,124	941,340	950,902
<u>City of Portland:</u>					
AHDC (Avesta 977 Brighton LP)	2049	0.000%	-	300,000	300,000
Avesta Fore River Housing, LP	2035	4.610%	-	-	388,474
Avesta Pearl Street One LP	2037	0.000%	-	324,260	324,260
Avesta Munjoy Commons	2041	1.000%	1,403	279,205	292,944
Avesta Oak Street LP	2061	0.000%	-	380,585	380,585
Avesta Pearl Street Two LP	2041	0.000%	-	400,000	400,000
Berry Park Housing Corporation	2037	0.000%	-	102,740	102,740
Berry Park Housing Corporation	2040	0.000%	-	240,000	240,000
Avesta 409 Cumberland LP	2045	0.000%	-	500,000	500,000
Peninsula Community LP 3	2035	4.830%	-	200,000	200,000
Bayside East LP	2037	5.310%	-	250,000	250,000
Avesta Washington Ave.	2045	0.000%	-	522,448	522,448
Peninsula Community I	2033	4.850%	-	300,000	300,000
Peninsula Community I	2034	0.000%	-	55,366	55,366
Avesta Deering Place LP	2062	0.000%	20% annual surplus cash	500,000	500,000
Logan Place	2034	5.200%	-	435,000	435,000
Peninsula Community II	2034	4.650%	-	307,700	307,700

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
Avesta Unity Village LP	2051	1.890%	Interest Only	226,913	226,913
Avesta Unity Village LP	2051	1.890%	Interest Only	293,952	293,952
Avesta Unity Village LP	2051	1.890%	Interest Only	210,136	210,136
Avesta Valley Street LP	2053	0.000%	-	442,386	-
Fore River Apartments	2035	4.790%	-	388,474	-
<u>Other:</u>					
<u>Gorham Savings Bank:</u>					
AHDC (307 Cumberland Ave.)	2029	4.950%	7,333	762,941	811,322
AHDC (Avesta Cascade Brook LP)	2027	0.000%	-	400,000	400,000
AHDC (Avesta Bishop LP)	2032	0.000%	-	500,000	500,000
AHDC (Avesta Carleton LP)	2032	0.000%	-	499,990	499,990
AHDC (Avesta Westbrook Street One LP)	2036	0.000%	-	500,000	500,000
AHDC (Avesta Deering Place LP)	2036	0.000%	-	500,000	500,000
AHDC (Avesta Livermore Terrace LP)	2036	0.000%	-	500,000	500,000
AHDC (Avesta Unity Village LP)	2037	0.000%	-	500,000	500,000
AHDC (Avesta Valley Street LP)	2038	0.000%	-	650,000	650,000
AHDC (Avesta Westbrook Street Two LP)	2038	0.000%	-	650,000	650,000
AHDC (Avesta US Route One LP)	2038	0.000%	-	400,000	-
Hill Street Terrace Housing Corp.	2029	5.040%	3,465	459,765	477,360
Mary Ann Manor	2032	4.250%	2,143	385,646	394,537
Mary Ann Manor	2032	0.000%	-	425,280	425,280
Pinewood Apartments	2032	4.950%	6,363	1,173,517	1,023,129
Avesta Cousens Housing LP	2028	4.410%	3,184	443,244	461,192
Avesta Cascade Brook LP	2032	5.500%	1,719	243,343	250,375
Avesta Bishop Street LP	2037	2.710%	4,307	924,924	950,804
Avesta Carleton LP	2038	2.650%	3,038	669,146	687,354
Wayside Pines	2033	4.250%	1,965	294,258	300,508
Wayside Pines	2033	0.000%	-	316,000	316,000
Avesta Ingraham House LP	2028	5.180%	4,144	695,642	708,474
Avesta Westbrook Street One LP	2022	3.250%	Interest Only	-	6,335,497
Avesta Westbrook Street One LP	2041	4.000%	16,319	3,324,906	3,379,911
Avesta Livermore Terrace LP	2041	2.300%	5,604	1,401,970	1,436,098
Avesta Unity Village LP	2042	2.880%	5,631	1,350,000	-
Avesta Westbrook Street Two LP	2023	3.500%	Interest Only	7,770,434	2,043,519

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
Avesta US Route One LP	2024	7.500%	Interest Only	333,457	-
<u>Bangor Savings Bank:</u>					
AHDC (409 Cumberland Ave.)	2030	0.000%	-	500,000	500,000
AHDC (Avesta Young Street)	2030	0.000%	-	500,000	500,000
AHDC (Avesta Steeple Square)	2030	0.000%	-	500,000	500,000
AHDC (Avesta Three Meeting Place LP)	2033	0.000%	-	750,000	750,000
AHDC (Avesta Southgate LP)	2034	0.000%	-	750,000	750,000
AHDC (Avesta 977 Brighton LP)	2036	0.000%	-	500,000	500,000
AHDC (Avesta Meadows Two LP)	2035	0.000%	-	641,728	641,728
AHDC (Avesta Hillside LP)	2037	0.000%	-	650,000	650,000
AHDC (Avesta Central and Crowley LP)	2037	0.000%	-	650,000	-
AHDC (Avesta River Turn One LP)	2038	0.000%	-	650,000	-
Avesta Housing Management Corporation	2030	3.480%	5,827	1,087,088	1,118,057
YC Cottage Associates LP	2026	5.750%	7,067	790,752	828,267
Avesta Young Street LP	2030	3.250%	3,748	719,597	740,806
Avesta Steeple Square LP	2046	3.750%	7,926	1,462,899	1,502,344
Avesta Three Meeting Place LP	2048	Variable	8,789	1,695,534	1,731,448
Avesta Southgate LP	2034	2.500%	6,345	1,471,191	1,509,512
Avesta Meadows Two LP	2040	5.650%	15,412	2,575,627	2,611,889
Avesta 977 Brighton LP	2039	2.900%	8,579	1,977,303	2,021,414
Seventy-Five State Street	2032	3.410%	Interest Only through 1/2024; then \$79,150	7,000,000	-
<u>TD Bank:</u>					
AHDC	2026	3.790%	12,564	174,781	217,296
YC Pines LP	2043	0.000%	-	300,000	300,000
Avesta Pearl Street One LP	2028	7.260%	1,862	167,293	176,938
Avesta Pearl Street One LP	2028	5.050%	7,486	952,238	992,197
Avesta Waldoboro Woods LLC	2048	2.250%	997	160,196	162,816
Florence House Housing Corp	2036	0.000%	-	400,000	400,000
6 Meeting Place Drive Exeter LP	2028	7.000%	3,900	349,365	370,266
<u>Norway Savings Bank:</u>					
Foxwell II	2028	5.250%	2,994	506,247	515,341
Avesta Blackstone LP	2038	3.000%	6,162	1,304,000	1,335,594
AHDC (Avesta Blackstone LP)	2032	0.000%	-	500,000	500,000
AHDC (Avesta Fox School LP)	2034	0.000%	-	750,000	750,000

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
AHDC (Avesta Fox School LP)	2023	6.000%	Interest Only	183,890	396,398
<u>Coastal Enterprises Inc.:</u>					
Broadway North	2040	5.500%	2,432	329,231	339,794
<u>The Genesis Fund:</u>					
Foxwell II	2028	5.950%	844	133,060	135,198
Mary Ann Manor	2032	5.150%	588	98,184	100,127
AHDC (Applewood)	2024	5.700%	1,189	151,426	156,859
AHDC (Brookhollow)	2024	5.700%	1,468	187,017	193,768
Pinewood Apartments	2027	4.500%	1,498	293,241	-
Avesta Livermore Terrace LP	2036	4.500%	Interest Only	572,000	572,000
Seventy-Five State Street	2022	5.200%	Interest Only	-	1,000,000
New Marblehead North Housing Corporation	2035	3.250%	703	87,456	92,948
Maple Grove Elderly Housing Corporation	2024	3.750%	Interest Only	1,200,000	-
New Marblehead Seniors Housing Corporation	2035	3.250%	870	190,471	194,651
<u>Portland Housing Development Corporation:</u>					
Peninsula Community LP 3	2026	0.000%	-	78,900	78,900
<u>Town of Exeter:</u>					
Avesta Meeting Place One LP	2054	0.000%	-	475,000	475,000
Avesta Four Meeting Place LLC	2049	0.000%	-	475,000	475,000
Avesta Three Meeting Place LP	2057	0.000%	-	145,000	145,000
<u>NHHFA:</u>					
Avesta One Meeting Place LP	2044	0.000%	50% annual surplus cash	871,173	912,526
Avesta One Meeting Place LP	2056	6.030%	4,860	836,317	843,959
6 Meeting Place Drive Exeter LP	2041	0.000%	50% annual surplus cash	708,190	721,504
Avesta Four Meeting Place LLC	2055	5.920%	9,559	1,647,629	1,664,254
Avesta Four Meeting Place LLC	2039	0.000%	-	3,670,000	3,670,000

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
Avesta Four Meeting Place LLC	2039	0.000%	50% annual surplus cash	869,061	888,232
Avesta Lincoln Green LP	2056	4.000%	9,132	2,015,836	2,044,169
Avesta Lincoln Green LP	2046	0.000%	50% annual surplus cash	335,266	335,266
Avesta Antrim Village LP	2056	4.000%	9,132	2,015,836	2,044,169
Avesta Antrim Village LP	2046	0.000%	50% annual surplus cash	198,544	198,544
Avesta Meadows One LP	2046	0.000%	50% annual surplus cash	403,565	412,525
Avesta Meadows Two LP	2038	0.000%	50% annual surplus cash	1,000,000	1,000,000
Avesta Meadows Two LP	2048	0.000%	50% annual surplus cash	225,015	225,015
Avesta Central and Crowley LP	2023	6.360%	Interest Only	1,800,000	-
Avesta River Turn One LP	2024	1.500%	Interest Only	1,711,071	-
Avesta River Turn One LP	2052	0.000%	50% annual surplus cash	1,456,280	-
Avesta River Turn One LP	2052	0.000%	50% annual surplus cash	343,000	-
<u>County of Rockingham:</u>					
6 Meeting Place Drive Exeter LP	2051	0.000%	-	475,000	475,000

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

<u>Lender/Project</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>2022</u>	<u>2021</u>
<u>Cumberland County HOME Consortium:</u>					
Avesta Steeple Square LP	2045	0.000%	-	173,650	173,650
South High Street Associates LP	2044	0.000%	-	125,000	125,000
Avesta Blackstone LP	2048	0.000%	-	123,125	123,125
Avesta Westbrook Street One LP	2052	0.000%	-	246,046	221,441
Avesta Westbrook Street Two LP	2053	0.000%	-	380,902	-
<u>Elizabeth R. Fischer, as Trustee of the Robert J. McCabe Jr. and Elizabeth R. Fischer Revocable Trust dated January 10, 2005:</u>					
13 Central Street	2046	4.500%	2,673	-	472,913
<u>Meredith Village Savings Bank:</u>					
Avesta Meadows One LP	2038	2.300%	3,271	754,845	776,469
AHDC (Avesta Meadows One LP)	2032	0.000%	-	500,000	500,000
<u>Community Housing Capital, Inc.:</u>					
AHDC (Avesta Southgate LP)	2034	0.000%	-	500,000	500,000
AHDC (Avesta Westbrook Street Two LP)	2038	0.000%	-	500,000	-
Avesta Southgate LP	2023	6.500%	-	-	105,316
Avesta Westbrook Street Two LP	2024	6.000%	Interest Only	750,000	-
<u>Bath Savings Institution:</u>					
AHDC (Bartlett Circle 2 LP)	2032	0.000%	-	500,000	500,000
<u>NBT Bank:</u>					
AHDC (Kallock Terrace)	2034	4.870%	7,337	765,988	815,245
AHDC (Orchard Terrace)	2039	5.200%	8,032	1,370,188	1,393,662
AHDC (Pinebluff)	2039	5.200%	7,534	1,285,142	1,307,159
AHDC (Pumpkinville)	2039	5.200%	3,645	621,963	632,434
AHDC (Ridgewood)	2034	4.870%	8,076	839,720	893,718
AHDC (Stonecrest)	2039	5.200%	2,493	425,230	432,516
AHDC (Sunnyside)	2039	5.200%	5,539	944,957	961,146
AHDC (Woodsedge)	2039	5.200%	4,875	831,562	845,809
AHDC (Prescott Heights)	2039	5.030%	7,990	1,061,000	1,101,642
AHDC (Brookhollow)	2039	5.200%	4,653	793,764	807,363
AHDC (Applewood)	2039	5.200%	4,432	756,078	768,917
New Marblehead North Housing Corporation	2040	3.680%	4,955	1,024,679	1,045,481
New Marblehead Seniors Housing Corporation	2040	3.680%	3,623	749,392	764,605
Inn at Village Square	2031	3.990%	21,813	3,351,230	3,474,698

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

Lender/Project	Maturity	Interest Rate	Monthly Payment	2022	2021
<u>James Soley:</u>					
Maple Grove Elderly Housing Corporation	2023	4.500%	Interest Only	-	1,200,000
<u>ORIX Real Estate Capital, LLC:</u>					
Avesta Deering Place LP	2061	3.770%	33,624	7,733,112	7,742,812
<u>Town of Conway:</u>					
Avesta River Turn One LP	2043	0.000%	-	757,376	-
Total Mortgage Notes Payable				<u>\$212,131,458</u>	<u>\$175,375,369</u>

The mortgage notes payable are secured by real estate and personal property. The Regulatory Agreements of HUD, MaineHousing, USDA - RD, and NHHFA impose restrictions on cash disbursements and distributions and prohibit the transfer or encumbrance of title to the rental property without prior approval. In addition, various loan agreements call for the maintenance of a required minimum ratio of debt service coverage.

Seventy-Five State Street was financed with bonds which were payable to Maine Health and Higher Educational Facilities Authority (MHHEFA) and were secured by the real estate, personal property and a security interest in the gross service revenues to MHHEFA. The bonds were refinanced in 2022.

The bonds payable at December 31, 2022 and 2021 consisted of the following:

	2022	2021
Series 2016A Revenue Bonds payable to MHHEFA. Interest rates ranged from 4.0% to 5.0% per annum, monthly payments of principal and interest in the amount of \$185,000 in 2022, secured by real estate and personal property.	\$ -	\$ 1,766,763
Total Bonds Payable	<u>\$ -</u>	<u>\$ 1,766,763</u>

The long-term debt will be amortized as follows:

2023	\$ 27,358,669
2024	8,409,030
2025	4,152,243
2026	3,744,793
2027	3,229,180
Thereafter	<u>165,237,543</u>
Total	<u>\$212,131,458</u>

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

NOTE 4 - LONG-TERM DEBT (Continued)

The 2023 debt amortization amount of \$27,358,669 includes required payments on bridge loans of \$183,890 related to Avesta Fox School LP, which will be paid from the proceeds of historic tax credit refunds and \$25,126,393 of conventional bank debt with final balloon payments at Avesta Unity Village LP, Avesta Hillside LP, Avesta Valley Street LP, Avesta Westbrook Street Two LP, and Avesta Central and Crowley LP which will be repaid from the proceeds of tax credit equity or long-term debt.

NOTE 5 - OTHER ASSETS

Other assets at December 31, 2022 and 2021 consisted of:

	2022	2021
Investment in 6 Meeting Place	\$ 98,931	\$ 98,931
Investment in HPN Select LLC	146,987	146,987
Projects in Development	2,314,963	1,833,278
Development Fees Receivable	419,642	281,993
Mortgage Notes Receivable	500,000	500,000
Start-up Costs	25,795	25,795
Prepaid Historic Credit Recapture Policy	122,946	122,946
Prepaid Tax Credit Fees	1,632,531	1,554,628
	5,261,795	4,564,558
Less Accumulated Amortization	851,016	742,842
Total	\$ 4,410,779	\$ 3,821,716

NOTE 6 - LINES OF CREDIT

The Organization has a line of credit with Bangor Savings Bank that is secured by a portion of the unrestricted investments. The available line of credit is \$1,500,000 with a variable interest rate equal to the Wall Street Journal Prime rate. The interest rate at December 31, 2022 and 2021 was 7.27% and 3.25%, respectively. There was no balance outstanding at both December 31, 2022 and 2021. The note was modified in March 2023 to extend the maturity date to September 30, 2024.

Seventy-Five State Street has available an unsecured \$500,000 line of credit with interest at the Wall Street Journal Prime rate less 0.50% but not below 3.75% per year. The interest rate at December 31, 2022 and 2021 was 7.00% and 3.75%, respectively. There was no balance outstanding at both December 31, 2022 and 2021. The line matures on November 27, 2024.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 7 - CAPITAL ADVANCES

In prior years, HUD issued capital advances to fund the construction of various projects. These advances were treated as equity contributions in the year of project construction. The capital advances are secured by the real estate and personal property. The details and ongoing requirements of the capital advances are as follows:

	Maturity	Interest Rate	Monthly Payment	2022	2021
Noble Housing Corporation	2039	6.75%	\$ -	\$1,280,600	\$1,280,600
Jordan Bay Place	2042	6.00%	-	1,756,100	1,756,100
Five Graham Street	2042	6.00%	-	2,647,000	2,647,000
Edgecomb Woods	2044	4.75%	-	2,150,300	2,150,300
South Windham Housing	2046	4.75%	-	3,038,600	3,038,600

The Regulatory Agreements impose restrictions on cash disbursements and distributions and prohibits the transfer or encumbrance of title to the rental property without HUD approval. In addition, Use Agreements restrict the use of the projects to rental housing for eligible households as approved by HUD for a 40-year period.

No repayment is required as long as the use restrictions are maintained. Failure to keep the housing available for elderly or disabled persons would result in HUD billing the owner for the entire capital advance outstanding plus interest since the date of the first advance.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of HUD capital advances, the Silver Hearth Fund, the Seventy-Five State Street Endowment Fund, and grants and donations provided by various parties. At December 31, 2022 and 2021, net assets with donor restrictions totaled \$13,824,476 and \$13,821,705, respectively, and consisted of the following:

	2022	2021
HUD Capital Advances	\$ 10,872,600	\$ 10,872,600
Seventy-Five State Street Endowment Fund	855,319	855,319
Seventy-Five State Street Accumulated Appreciation of the Endowment Fund	16,699	163,516
Seventy-Five State Street Resident Needs Not Covered by MaineCare	58,409	58,409
Seventy-Five State Street Certified Nurse Assistance Education and Other	163,968	113,952
The Provision of Safe Housing for the Homeless	8,723	8,673
Resident Services in Lewiston, Maine	10,344	10,000
Capacity Expansion and Cultural Navigation	221,785	-
Tablet Project	3,465	6,300
Immigrant Program Fund	68,570	-
Maine Housing Coalition Eviction Database	-	3,261
Maine Housing Coalition Transition Planning	-	5,000
Housing Stability Counseling Program	81,000	36,288
Affordable Housing Pre-Development	150,000	75,000
Silver Hearth Fund	1,313,594	1,613,387
Total Net Assets With Donor Restrictions	<u>\$ 13,824,476</u>	<u>\$ 13,821,705</u>

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 9 - NET ASSETS WITHOUT DONOR RESTRICTIONS, NON-CONTROLLING

Net assets without donor restrictions, non-controlling represents the aggregate balance of Limited Partner equity interests in the non-wholly owned limited partnerships that are included in the consolidated financial statements.

NOTE 10 - DEVELOPMENT FEES

The Organization provides development services on a contractual basis for the owners of low income rental housing. These services include assisting in the structuring of building acquisition, assisting in the execution of agreements with contractors, the acquisition of financing, term negotiations, the establishment of administrative and financial controls for the design and construction of the project, progress monitoring, and other tasks essential to the development of a housing project.

The development services provided in the construction or rehabilitation of a housing project are highly interrelated and are considered a single performance obligation. Development fees earned are paid from the project's equity and debt proceeds at various points during the construction of the project. The fees are recognized and the performance obligations are satisfied over the development period beginning when the project is assured of being constructed, as evidenced by the admission of an equity partner, as units are delivered or based on the external construction costs incurred as a percentage of the total external construction costs expected and concluding with the application for final allocation of tax credits.

The aggregate balance of development fee transaction prices allocated to partially unsatisfied performance obligations at December 31, 2022 and 2021 was \$3,328,122 and \$2,753,122, respectively. Any portion of the development fee not expected to be paid using contributions from the equity partner, such as out of cash flow from operations, represents variable consideration and is eliminated in consolidation. The remaining balance of the partially unsatisfied performance obligations less any portion not paid by the equity partner are expected to be recognized within the next two years, at the date of substantial completion for the individual projects. The Organization determines its estimates of transaction price allocation, contractual adjustments and the timing of performance obligation satisfaction based on historical experience and contractual agreements.

NOTE 11 - CAPITAL CONTRIBUTIONS

During 2022 and 2021, Limited Partners made capital contributions of \$7,827,540 and \$14,000,999, respectively, to various limited partnerships included in the consolidated financial statements.

NOTE 12 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of deposits and repurchase agreements with banks and financial institutions. The Organization has not experienced any losses with respect to its bank deposits in excess of government provided insurance or its deposits in financial institutions. Bank account balances fluctuate during the year and can exceed the \$250,000 limit of FDIC coverage.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

NOTE 12 - CONCENTRATION OF CREDIT RISK (Continued)

The maximum amount of loss due to credit risk at December 31, 2022 was \$8,873,819. Inn at Village Square and Seventy-Five State Street maintain cash balances which, at times, may exceed federally insured limits. These entities have not experienced any losses in such accounts. Management believes it is not exposed to any significant risk with respect to these accounts.

The Organization also maintains various reserve accounts controlled by MaineHousing. These balances are held in a financial institution not covered by FDIC insurance, but are deposited in a fund consisting of U.S. Government and Treasury debt and repurchase agreements. At December 31, 2022, the Organization's deposits with financial institutions totaled \$5,000,326, all of which is subject to loss due to credit risk.

The Organization has entered into a repurchase agreement with Bangor Savings Bank. At December 31, 2022, \$1,757,908 was subject to a repurchase transaction, of which the full amount is not insured by the FDIC.

NOTE 13 - CONSTRUCTION FINANCING

As part of new construction and major renovations and rehabilitations, the Organization incurs construction related liabilities, including payables and loans. Due to the expected repayment period of less than 12 months, they are classified as current liabilities on the consolidated statement of financial position. In the normal course of business, these liabilities are repaid with permanent sources of debt and equity provided by external parties, and therefore do not affect the ongoing operations of the Organization.

NOTE 14 - REFUNDABLE HISTORIC REHABILITATION CREDIT

The Organization participates in the Maine Refundable Historic Rehabilitation program. Under the terms of the program, the Organization is entitled to receive a Refundable Historic Rehabilitation Credit related to the rehabilitation and preservation of certain historic properties. During both 2022 and 2021, the Organization received \$369,045 from the State of Maine related to the historic rehabilitation of properties owned by Avesta Southgate LP and Avesta Fox School LP.

NOTE 15 - HOUSING AND RENTAL ASSISTANCE PAYMENTS

HUD has contracted with the Organization to make housing assistance payments on behalf of qualified tenants. Annual contract rents may not be increased without HUD approval.

USDA - RD has contracted with the Organization to make rental assistance payments on behalf of qualified tenants. Annual contract rents may not be increased without USDA - RD approval.

NOTE 16 - EMPLOYMENT BENEFIT PLAN

The Organization offers employees a 401(k) retirement plan. The plans cover all employees with a minimum of six months of employment. For each calendar year, the Organization may contribute matching contributions to eligible employees' 401(k) accounts equal to 100% of employee contributions up to 6% of employee compensation. All contributions made under the plan are fully vested.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

NOTE 16 - EMPLOYMENT BENEFIT PLAN (Continued)

The Organization offers a 457(b) deferred compensation plan to certain employees whereby all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The Organization provides discretionary contributions in accordance with plan documents and IRS regulations. Contributions to employees at or above retirement age are fully vested, while all other contributions are vested pro rata over a 10-year period. At December 31, 2022 and 2021, the assets and the offsetting liability held under this plan totaled \$489,122 and \$514,993, respectively.

The Organization contributed \$566,744 and \$482,065 to these plans in 2022 and 2021, respectively.

NOTE 17 - ENDOWMENT

Seventy-Five State Street invests contributed funds to increase its endowment. Those endowment funds by net asset classification consisted of the following on December 31, 2022 and 2021:

	2022	2021
Net Assets Without Donor Restrictions	\$2,991,092	\$3,246,040
Net Assets With Donor Restrictions	872,018	1,018,835
Total	<u>\$3,863,110</u>	<u>\$4,264,875</u>

Seventy-Five State Street had the following endowment-related activities in 2022 and 2021:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, December 31, 2020	<u>\$2,768,086</u>	<u>\$ 946,006</u>	<u>\$3,714,092</u>
Investment return:			
Investment income, net of fees	204,006	55,673	259,679
Net appreciation	<u>300,985</u>	<u>82,119</u>	<u>383,104</u>
Total investment return	504,991	137,792	642,783
Budgeted withdrawal of appropriated endowment assets for expenditure	<u>(27,037)</u>	<u>(64,963)</u>	<u>(92,000)</u>
Endowment net assets, December 31, 2021	<u>3,246,040</u>	<u>1,018,835</u>	<u>4,264,875</u>
Investment return:			
Investment income, net of fees	45,487	12,125	57,612
Net depreciation	<u>(362,695)</u>	<u>(96,682)</u>	<u>(459,377)</u>
Total investment return	(317,208)	(84,557)	(401,765)
Budgeted withdrawal of appropriated endowment assets for expenditure	<u>62,260</u>	<u>(62,260)</u>	<u>-</u>
Endowment net assets, December 31, 2022	<u>\$2,991,092</u>	<u>\$ 872,018</u>	<u>\$3,863,110</u>

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 17 - ENDOWMENT (Continued)

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the State of Maine permits spending from underwater endowments in accordance with prudent measures under the law, but the Organization has not elected to do so. At December 31, 2022, there were no underwater endowments.

Return Objectives, Risk Parameters and Strategies Employed - The objective of Seventy-Five State Street's investment policy is to maximize the total return of financial assets within the parameters of a prudent investor's level of risk given a long-term horizon.

It is the intention that the investments be managed with the objectives of protecting principal from both market value and inflationary erosion. To accomplish these objectives, it is the general policy to diversify investment funds across a broad class of assets.

Increasing equity exposure may increase the period-to-period volatility of the assets, and this risk is tolerated provided that the return achieved is greater than that of a less risky investment. Cash equivalents, viewed as riskless investments, may be used to offset the volatility of the equity and debt sectors. Specific volatility tolerances are covered under the investment policies which are followed by the investment manager(s).

Spending Policy - It is the goal of the Board to limit annual withdrawals from the portfolio to 4% to 5% of total value, unless additional amounts are deemed necessary and approved by the Board. Investment draws to support operations are approved in the budget.

In accordance with the interpretation of the UPMIFA of the State of Maine, appreciation on investments of funds of perpetual duration is classified as net assets with donor restrictions until appropriated by the Board unless otherwise indicated in the gift instrument. At December 31, 2022 and 2021, there were no donor purpose restrictions on endowment appreciation.

Fair Value Measurement - At December 31, 2022 and 2021, Seventy-Five State Street's endowment fund was comprised of the following fair market values:

	2022	2021
Cash and Cash Equivalents	\$ 62,024	\$ 123,439
Equity Securities	2,459,221	2,445,232
Exchange Traded Funds and iShares - Equity	410,961	934,856
Fixed Income Mutual Funds	767,804	528,293
Exchange Traded Funds and iShares - Fixed Income	163,100	-
Total Return Real Estate Investment Trusts	-	233,055
	<u>\$ 3,863,110</u>	<u>\$ 4,264,875</u>

At December 31, 2022 and 2021, the fair value of the Organization's investments was calculated using the following input data:

	2022	2021
Level 1 Input	<u>\$3,863,110</u>	<u>\$4,264,875</u>

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 17 - ENDOWMENT (Continued)

Investments in general are exposed to various risks, such as interest rates, credit, and overall market volatility. As such, it is reasonably possible that changes could materially affect the amounts reported in the Statements of Financial Position.

NOTE 18 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of regulatory, contractual or donor-imposed restrictions or internal designations. Amounts not available also include amounts set-aside for long-term investing in capital reserves that could be drawn upon if approved by the various lenders.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization manages its liquidity by developing and adopting annual operating budgets and cash flow forecasts.

	2022	2021
Cash and Equivalents	\$ 8,919,596	\$ 9,817,485
Accounts Receivable, Net	1,548,914	1,851,838
Unrestricted Investments	5,344,368	6,374,685
Restricted Deposits and Reserves	29,866,072	23,881,241
Seventy-Five State Street Endowment	3,863,110	4,264,875
Contractual (Regulatory) and Internally Designated Restrictions:		
Restricted Deposits:		
Replacement Reserve	(11,642,615)	(11,393,961)
Residual Receipts	(203,926)	(160,419)
Operating Reserves	(6,061,979)	(5,268,198)
Other Reserves	(1,938,922)	(2,234,678)
Construction Cash	(6,987,339)	(2,397,099)
Pledges Receivable - Donor Restricted	(35,000)	(235,000)
Donor Restricted Cash	(2,044,858)	(1,529,834)
Seventy-Five State Street Endowment - Not Available for General Operations	(3,863,110)	(4,264,875)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 16,764,311</u>	<u>\$ 18,706,060</u>

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 19 - CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The following provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows.

	2022	2021
Cash	\$ 1,883,279	\$ 3,244,506
Cash - Project Operations	7,036,317	6,572,979
Tenant Security Deposits	1,800,262	1,639,907
Restricted Deposits and Reserves	29,866,072	23,881,241
Total Cash, Cash Equivalents and Restricted Cash Accounts	\$40,585,930	\$35,338,633

NOTE 20 - METHOD USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM AND SUPPORTING SERVICES

The costs of providing various program and supporting activities have been included on a functional and natural basis. These expenses require allocation on a reasonable basis that is consistently applied, which is on the basis of time and effort studies.

NOTE 21 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives of federal, state and local agencies, including but not limited to the Department of Human Services, MaineHousing, NHHFA, USDA - RD, and HUD. Such administrative directives, rules and regulations are subject to changes by acts of Congress or administrative changes mandated by the agencies or other situations. Such changes may occur with little notice or with inadequate funding to pay for the related costs, including the additional burden to comply with the changes.

NOTE 22 - PLEDGES RECEIVABLE

Pledges receivable are recorded at fair value at the date the written promise is received. The Organization uses the allowance method to determine uncollectible pledges. When applicable, contributions are recorded after being discounted to the anticipated net present value of the future cash flows.

The pledges receivable are expected to be collected as follows:

2023	\$ 55,000
2024	20,000
2025	-
2026	-
2027	-
Total	\$ 75,000

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 23 - COMMITMENTS

The Organization has entered into construction contracts with various third party contractors to construct and rehabilitate projects in the adjusted amounts of \$57,816,766 and \$67,066,628 as of December 31, 2022 and 2021, respectively. The total amount completed as of December 31, 2022 and 2021 was \$36,432,642 and \$39,038,783, respectively. The remaining balances on the contracts at December 31, 2022 and 2021 are \$21,384,124 and \$28,027,845, respectively, and are expected to be paid from loan proceeds and capital contributions.

In January 2023, Seventy-Five State Street signed a contract to repair the roof and HVAC system for an estimated cost of \$1,546,557. This construction is expected to occur during 2023 for an estimated construction period of 12 weeks.

NOTE 24 - SMALL BUSINESS RELIEF LOANS

During 2020, the Organization qualified for and received 4 loans under the Paycheck Protection Program ("PPP") in the total amount of \$2,590,171. The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provided loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expense of the qualifying business. The loans and accrued interest were forgivable after eight weeks as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. The amount of loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the eight-week period.

At December 31, 2020, the Organization had met the conditions for forgiveness on two of the loans in the total amount of \$1,726,281. At December 31, 2021, the Organization had met the conditions for forgiveness on the remaining two loans in the total amount of \$863,890.

NOTE 25 - CONTINGENCIES

The Organization is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates these matters will be resolved without material adverse effect on the Organization's future financial position or results of operations. Management also believes the Organization is adequately insured to cover any potential settlements.

NOTE 26 - NET ASSET TRANSFERS

During the year ended December 31, 2021, Gray Senior Housing, Inc. was added and no entities were removed from the consolidated financial statements. The net effect of the change to net assets for the year ended December 31, 2021 was an increase of \$153,684.

NOTE 27 - NET RESIDENT SERVICE REVENUE AND ACCOUNTS RECEIVABLE

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments based on contractual agreements and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

NOTE 27 - NET RESIDENT SERVICE REVENUE AND ACCOUNTS RECEIVABLE (Continued)

Under the State of Maine Department of Human Services (DHHS) Medicaid program, the provider is reimbursed for the care of qualified residents at specified interim rates during the year. Differences between these interim contractual rates and the "cost" of this care as defined by the Principles of Reimbursement governing the respective programs are determined and settled on a retroactive basis. Laws and regulations governing the Medicaid program are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

In assessing collectability, the Organization has elected the portfolio approach. This portfolio approach is being used as the Organization has similar contracts with similar classes of customers. The Organization reasonably expects that the effect of applying a portfolio approach to a group of contracts would not differ materially from considering each contract separately. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. As a result, aggregating all of the contracts (which are at the resident level) by the particular payor or group of payors will result in the recognition of the same amount of revenue as applying the analysis at the individual patient level.

NOTE 28 - LEASING ACTIVITIES

The Organization assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. The Organization has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less are not recorded on the consolidated statement of financial position. The Organization's leases do not provide an implicit rate. The Organization has elected to use its risk-free rate of return, based on long-term U.S. Treasury rates, at the commencement date in determining the present value of lease payments.

The Organization leases land at various low income housing properties for periods greater than 70 years. Under the terms of the leases, the leased premises must be used as affordable rental housing projects and for no other purpose without written consent from the lessors. A finance lease includes an option to purchase land being leased at the end of the 90-year lease term. No other finance or operating leases include options to purchase the underlying property.

The following summarizes the Organization's leasing activities as a lessee for the years ended December 31, 2022 and 2021:

	2022	2021
Lease Cost		
Operating Lease Cost	\$ 68,244	\$ 68,244
Other Information		
Cash Paid for Amounts Included In the Measurement of Lease Liabilities		
Operating Cash Flows from Operating Leases	32,999	32,821
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	-	2,248,020
Weighted Average Remaining Lease Term - Financing Leases	90 years	-
Weighted Average Remaining Lease Term - Operating Leases	82 years	83 years
Weighted Average Discount Rate - Operating Leases	1.45%	1.45%

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

NOTE 28 - LEASING ACTIVITIES (Continued)

The maturities of the operating lease liabilities as of December 31, 2022 were as follows:

2023	\$ 33,183
2024	33,372
2025	33,567
2026	33,767
2027	33,974
Thereafter	<u>4,623,432</u>
Total Lease Payments	4,791,295
Less Interest	<u>(2,395,878)</u>
Present Value of Lease Liabilities	<u>\$ 2,395,417</u>

The Organization leases residential units to tenants for terms of up to twelve months. Leases provide tenants with the right to use the real estate assets for a limited period of time, they may contain the option to renew for another 12 months but no option to purchase the property. As of December 31, 2022, all residential rental leases have been classified as short-term operating leases.

Lease income at December 31, 2022 and 2021 consisted of:

	<u>2022</u>	<u>2021</u>
Operating Leases		
Tenant Income	\$ 15,868,294	\$ 13,997,208
Subsidy Income	<u>15,807,081</u>	<u>14,277,595</u>
Total	<u>\$ 31,675,375</u>	<u>\$28,274,803</u>

NOTE 29 - ADOPTION OF ACCOUNTING PRONOUNCEMENT

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02 (followed by additional ASUs to amend and clarify certain matters), Leases (Topic 842). ASU 2016-02 requires that all entities analyze leases and that lessees treat leases as either a finance lease, or an operating lease and lessors treat leases as either a sales-type lease, a direct finance lease, or an operating lease. The new standard is effective for annual reporting periods beginning after December 15, 2021. The ASU requires a modified retrospective transition approach.

The Organization adopted FASB Topic 842, Leases, using the modified retrospective approach effective January 1, 2022, and has chosen to use January 1, 2021 as its date of initial application. The Organization has elected to use a risk-free discount rate and the short-term lease recognition exemption for all applicable classes of underlying assets. The Organization has also elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Organization to carry forward the historical lease classification.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 29 - ADOPTION OF ACCOUNTING PRONOUNCEMENT (Continued)

The adoption had a material impact on the Organization's consolidated statement of financial position but did not materially impact the consolidated statement of activities. Adoption of the standard required the Organization to restate amounts as of January 1, 2021, resulting in an increase of \$3,146,842 in operating lease right-of-use assets, an increase of \$2,391,847 in operating lease liabilities, a reduction of \$539,617 in initial direct lease costs, a reduction of \$332,325 in other assets, a reduction of \$143,827 in accrued lease expense, and a reduction of \$26,880 in prepaid expenses.

In September 2020, FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958). The standard is intended to improve the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Among other changes, including enhanced disclosure requirements, contributed nonfinancial assets will now be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The new standard is effective for annual reporting periods beginning after June 15, 2021.

The Organization adopted ASU 2020-07 effective January 1, 2022, retrospectively. The adoption of this update did not result in an adjustment to the opening net assets or any other financial statement line item. Contributed nonfinancial assets totaling \$1,521,421 have been separately presented in the consolidated statements of activities for the year ended December 31, 2022.

NOTE 30 - CONTRIBUTED NONFINANCIAL ASSETS

In connection with the acquisition of the Pleasantwood Estates and Pleasantwood South affordable housing projects, the seller offered the properties at below market value, as substantiated by an appraisal based on relevant market data for comparable assets (level 2 inputs in the fair value hierarchy). The difference between the sales price and fair market value of the land, building, and equipment has been reflected as contributed nonfinancial assets of \$1,521,421 on the consolidated statement of activities. There were no donor restrictions on the contributed assets. The contributed property has been utilized for the multi-family housing operations program.

NOTE 31 - PANDEMIC UNCERTAINTY

On March 13, 2020, a national emergency was declared in the United States as a result of the coronavirus pandemic. This public health crisis has had a significant and wide-ranging effect on the United States economy and is expected to continue for some time. There has been limited impact on the Organization's financial position and operations. Management continues to monitor and actively assess the impact of this evolving situation on its operations and financial position but the full duration, magnitude and potential future financial effect is indeterminable at this time.

AVESTA HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 32 - PRIOR PERIOD ADJUSTMENT

During 2022, management discovered that initial direct costs connected with a land lease were incorrectly reported as land, and that lease expense had not been reported on a straight-line basis. Management also discovered that property and equipment, depreciation expense, and accumulated depreciation had not been correctly reported. To correct these issues, management made the following adjustments:

	As Originally Reported (2021)	Corrected Amount 2021 (Restated)
Land and Improvements	\$ 40,739,699	\$ 40,232,119
Buildings and Improvements	\$ 338,507,219	\$ 337,713,696
Furnishings and Equipment	\$ 15,373,494	\$ 15,996,117
Accumulated Depreciation	\$ 103,301,947	\$ 102,654,668
Other Assets	\$ 4,149,839	\$ 3,821,716
Depreciation and Amortization	\$ 10,304,515	\$ 10,207,102
Administrative Expense	\$ 2,986,375	\$ 3,021,798
Net Increase (Decrease) in Net Assets	\$ (1,188,456)	\$ (1,126,466)
Net Assets Without Donor Restrictions - Controlling	\$ 30,155,062	\$ 30,008,856
Net Assets Without Donor Restrictions - Non-Controlling	\$ 117,863,654	\$ 118,343,228
Net Assets	\$ 161,840,421	\$ 162,173,789

The cumulative effect of the change in net assets was an increase of \$271,378 at the beginning of 2021.

NOTE 33 - RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Prior year construction cash amounts have been reclassified for consistency with the current year presentation. The following reclassifications reflect changes made on the consolidated statements of financial position:

	As Originally Reported (2021)	Reclassified Amount
Cash - Project Operations	\$ 8,970,078	\$ 6,572,979
Restricted Deposits and Reserve	\$ 21,484,142	\$ 23,881,241

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