



City of Portland Remote CDBG-CV Review Team Meeting

The CDBG-CV Review Team will hold a remote meeting on Tuesday, June 9, 2020 at 8:00 am. This meeting will take place remotely using Zoom.

Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403A, that authorizes cities and towns to conduct meetings online.

Allow your computer to install the free Zoom app to get the best meeting experience.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/89914074098>

For public comment, you will need to use the “raise your hand” feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

To join via Telephone dial US: +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592 or +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782

Or onetap for mobile: US: +13126266799,,89914074098# or +16465588656,,89914074098#

Webinar ID: 899 1407 4098

1. Introduction of meeting to Zoom attendees
2. Review and Discussion of Food Assistance applications
 - a. CDBG-CV Food Assistance Applications
3. Review and discussion of non-profit assistance applications
 - a. CDBG-CV Non-Profit/Homeless Assistance Applications
4. Review and discussion of scoring process and timeline

- a. CDBG - CV Application Summary Sheet
CDBG - CV Scorecards

5. Adjournment

City of Portland, Maine Community Development Block Grant-CV Program



Food Assistance Applications



**Housing and Community Development Program
Division of Housing and Community Development
Planning and Urban Development Department**

CDBG-CV Food Assistance Applications

Table of Contents

1. Wayside Food Programs – Agency Wide COVID Response \$30,000
2. Preble Street - Food Programs \$60,000
3. Amistad – Food Assistance for Displace Portlanders \$120,000

COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS RESPONSE

COMPLETE APPLICATION CHECKLIST

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

- X** **A. CDBG-CV Application Cover Page**, *limit 1 page*
- X** **B. CDBG-CV Application Worksheet**, *limit 2 pages*
- X** **C. CDBG-CV Application Narrative**, *limit 5 pages*
- X** **D. Budget: Revenues and Expenditures**, attached separately, *limit 1 page*
Budget worksheet MUST match budget listed on the Cover Page, Summary page, and in the narrative

Required documents for non-profit organizations:

- X** **Verification of 501(c)3 or 6 Status**, *limit 1 page*
- X** **Agency Organizational Chart** to show how the proposed program fits into the overall organizational structure; include program staff or positions, *limit 1 page*
- X** **Most Recent Agency Operating Budget Summary**, *limit 1 page*
- X** **Most Recent Independent Auditors Report and identified findings** or *if an Audit is not available* the most recent 990 Financial Statement
- X** **Complete list of Board Members**

Signature of the President or Executive Director Date



June 3, 2020

A. CDBG-CV COVER PAGE, limit 1 page

CDBG-CV COVER PAGE

Service Type	☐ Homeless Prevention ☒ Food Assistance		
CDBG-CV Type	☐ Prevention of the Coronavirus ☐ Preparation for the Coronavirus ☒ Response to the Coronavirus		
Operating Agency	Wayside Food Programs		
Program Name	Agency-Wide COVID Response		
Program Area	Food Security & Access		
Mailing Address	P.O. Box #1278 Portland, ME 04104		
Address Services are Delivered	135 Walton Street. Portland, ME 04103		
Executive Director /Town Manager	Mary Zwolinski	Phone 408-9122	Email mzwolinski@waysidemaine.org
Project Director	Mary Zwolinski	Phone 408-9122	Email mzwolinski@waysidemaine.org
Financial Contact	Mary Zwolinski	Phone 408-9122	Email mzwolinski@waysidemaine.org
Person who completed the Application	Laura Hamilton	Phone 712-6724	Email lhamilton@waysidemaine.org
Amount of CDBG-CV Funds Requested \$30,000		Total Program Budget \$ 685,450	
DUNS Number 876242223		Tax Id 22-2806424	
Estimated number of people who will be served: 3,200			

B. CDBG-CV WORKSHEET, limit 2 pages

1. **HUD National Objective.** All CDBG-CV programs must serve Low and Moderate Income Clientele

X Low and Moderate Income Clientele (LMC): an activity which provides benefits to a specific group of persons of which at least 51% qualifies as LMI Portlanders

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 farmworkers?*

☐ No **X** Yes (please circle appropriate population)

2. **Beneficiaries.**

A. Describe the beneficiaries or clients served by the program.	A. Community members experiencing barriers to safe access to nutritious foods.
B. How many will be served by the proposed program? (unduplicated -per year)	B. 3,200
C. How many are <u>Portland Residents</u> ?	C. 2,600
D. How many are <u>low to moderate income residents of Portland</u> ? See income data in the instructions	D. 2,500
E. What percentage of total clients are low to moderate income residents of the Portland? (To calculate = $D/B * 100$; Must be > 51%)	E. 78%

3. **Program Costs and Outcomes.** Please list below.

Program Costs (to be reimbursed)	Outcomes/ Community Impact
Packaging & Protection supplies-\$10,000	Safe access to nutritious foods
Fresh foods-\$20,000	Safe access to nutritious foods

4. **Documentation**

A. How will the beneficiaries' information be collected and documented?	Information will be collected by individual food pantries & partner agencies.
B. What documentation will be used to prove the funds are going to the prevention, preparation or response to the Coronavirus?	B. Itemized receipts
C. How will the units of service be tracked and documented?	C. Staff will record at the time of distribution.
D. How will the outcomes be measured, collected, and documented?	D. Partner surveys & units of service records.

Please limit the CDBG-CV Worksheet to 2 (two) Pages.

C. CDBG-CV APPLICATION NARRATIVE

1. Program Description: CDBG-CV funds would provide critical resources to ensure Wayside can continue to adapt and respond quickly to our community's changing food needs while keeping our staff, volunteers, and community members safe.

Informed by Governor's orders and CDC recommendations, Wayside suspended or modified our Direct Service programs to eliminate gatherings. To maintain social distancing, we have limited the number of partners and volunteers in our facility at a time. We have limited the hours our warehouse is open to the public to reduce exposure and allow staff time for extensive cleaning. Anyone with an elevated body temperature is not allowed inside the facility. We have followed Governor Mills' Executive Order as of April 29th requiring cloth face coverings in public settings where physical distancing measures are difficult.

Wayside shifted all the focus of our programming to support our partners and our established networks across Cumberland County respond to the pandemic's ramifications. In addition to our food pantry partners, we are supporting 20 agencies and organizations to ensure especially vulnerable community members in Greater Portland have safe access to groceries and prepared meals.

Working on weekly schedules on a tentative timeframe, Wayside is packing 700-800 boxes of groceries each week for these agencies to distribute to their clients and participants. The boxes have a combination of nonperishables from the USDA's The Emergency Food Assistance Program (TEFAP) and purchased fresh produce, meat, and dairy. We are also preparing and sharing 200 meals from scratch each week and packing them as takeaway meals. We will expand this model of sharing meals incrementally starting in early June.

Our model is poised to adapt with the recommendations outlined in the letter from Mayor Snyder and City Manager Jennings to Citizens and Businesses on COVID19 Reopening Plans¹, based on the Governor's Reopening plan, and the implications it will have on our community members. We will continue to monitor the reopening plans and make additions to our volunteer force as needed.

2. Need for the Program and CDBG-CV Funds as it relates to the Coronavirus: Before the pandemic, The City named cost burden and affordable housing availability as the most pervasive housing problems.² Almost 60% of Portland's renters spend more than 30% of their income on housing costs, the federal affordability standard.² High housing costs can force choices between consistently making housing payments on time and affording other needs. This situation is especially precarious for the 6,000 households in Portland with incomes below the poverty threshold.³ The trade-offs that households make to stretch limited economic resources often compromise households' consistent access to enough food for active, healthy living. Families with children and especially single-parent families experience higher rates of food insecurity than households without children.⁶ With resources stretched to cover immediate costs, accumulating a

¹ [Letter to Citizens & Businesses on COVID-19 Reopening Plans, May 18, 2020](#)

² [PORTLAND MAINE CUMBERLAND COUNTY HOME CONSORTIUM Five Year CONSOLIDATED PLAN 2016-2020](#)

savings safety net is nearly impossible. The pandemic has exacerbated these challenges our vulnerable community members experience securing their basic needs. Without the option to work from home or the resources to purchase necessities in large quantities, many of our community members with lower incomes are not just financially impacted, but also at a greater health risk because they have limited ability to reduce their exposure to others. There is also a greater need for safe access to groceries for community members with conditions that put their health at risk. Twenty percent of Portland’s residents are at least 60 years old, putting more than 13,000 of our community members at higher risk because of their age alone.³

The pandemic has also expanded the number of community members experiencing economic and occupational instability. According to the Office of the State Economist, physical distancing measures have led to the closures of many businesses and about 16% of the civilian labor force (over 108,000 workers) have filed for unemployment insurance.⁴ The Maine Department of Labor reports the effects of COVID-19 on the labor market were widespread across sectors and regions although the leisure and hospitality sector was hardest hit, losing 61% of jobs. The concentration of jobs in the most impacted sectors and higher population density has meant the Portland-South Portland metro area experienced an even higher rate of job loss with April unemployment rates the highest on record (11.1%).⁵ Looking forward, with 25% of Portland’s labor force working in arts, entertainment, recreation, accommodation, food services, or retail⁶ there is a potential for even more community members to experience threats to their employment.

Wayside is working with our partners during the Stay at Home Order to inform our programming. Based on our partners’ feedback in a survey conducted at the end of May, the community members they have been working with will continue to need modified support to safely access groceries when this Order is lifted. There is an overwhelming concern about the health risks that will remain and the uncertainty about employment. Many of the elders they work with are afraid to grocery shop or to use public transportation. They have also identified challenges some of these community members experience cooking. Therefore, we are looking at ways to expand sharing prepared meals as more than a replacement for our Community Meals.

Historically, Wayside has run our programs using almost entirely donated food and as such only allocated resources for a small number of purchased foods. The pandemic has limited the availability, quantity, and quality of donated foods. Wayside will use CDBG-CV funds to offset these unplanned costs to purchase nutritious foods. To supplement donated food, Wayside contracts with Native Maine and works with local food producers and distributors to make every effort that resources used to buy food are invested in local businesses and our community. This approach will apply to CDBG-CV funds and align with The City’s values as a member of the Portland Regional Chamber of Commerce’s Pay It Forward campaign.

³ [U.S. Census Bureau, AGE AND SEX, 2018 American Community Survey 5-Year Estimates](#)

⁴ [Maine Economic Indicators April 2020](#)

⁵ [Monthly workforce estimates, April 2020. Maine Department of Labor, Center for Workforce Research and the U.S. Department of Labor, Bureau of Labor Statistics.](#)

⁶ [U.S. Census Bureau, COMPARATIVE ECONOMIC CHARACTERISTICS 2018 American Community Survey 1-Year Estimates](#)

Wayside has and will continue to purchase supplies to limit exposure and adhere to recommended precautions to keep our staff and community members safe. These supplies including packaging supplies for prepared meals, boxes for groceries, sanitizing products, and personal protective equipment.

3. Project Management: Wayside has three decades of experience sourcing donations and coordinating volunteers to share meals across Greater Portland. Food Rescue sources and redistributes salvaged and donated food to 60 programs and agencies with a cumulative service area covering every town in Cumberland County. Wayside is the USDA's distributing agency for Cumberland County's The Emergency Food Assistance Program (TEFAP) for 30 participating agencies and manages the Commodity Supplemental Food Program (CSFP) for Cumberland, Oxford, and York Counties. CSFP improves low-income seniors' health with supplemental groceries. Wayside works with 50 partner sites to reach 2,300 individuals each month. Food Rescue has also been the source of all the food for Mobile Food Pantries and nearly all the food for Wayside's Community Meals.

Although the COVID-19 pandemic is unique, Wayside has experience responding rapidly to unusual and urgent situations. Last summer, Wayside coordinated with The City of Portland, CDC, our partner agencies, food donors, and volunteers to prepare and deliver hot lunches three days a week (~750 meals per week) to asylum-seeking families staying at the Expo Center. Demonstrating the effectiveness and adaptability of this model and our community networks, our team was able to prepare and deliver 7,000 added hot meals while spending less than \$250 on food.

In 2016, Wayside & the City of Portland created an emergency food distribution processes in response to pending legislation that threatened supplemental food aid for refugees.

While the future needs of our community are unclear, there will undoubtedly be wide-reaching impacts on individuals' and families' economic, physical, and emotional wellbeing. CDBG-CV support will maximize Wayside's continued flexibility to support other community groups working with those affected. Wayside's Executive Director, Mary Zwolinski, will continue to oversee our COVID response by making changes informed by the guidelines put forth by Governor Mills. The operations of our programming involving groceries will continue to be managed by Wayside's Operations Manager, Don Morrison using partner feedback to guide and adapt strategies. Wayside's Kitchen Manager, Jenni Casas, and Community Meals Manager, Julie Harrison will continue to manage the operations of our prepared meals programming. Jenni Casas will manage the menu planning, meal preparation, and packaging. Julie Harrison will coordinate with community partners to assess capacity and manage the expansion of prepared meal distributions. She will also communicate feedback from partners to other Wayside staff.

Wayside Food Programs holds a City of Portland Food Service Establishment w/ Preparation License. All relevant staff and volunteers are Certified Food Protection Managers (CFPM).

4. Readiness to proceed: The project is ongoing, and the staffing, location, and distribution networks are in place. Wayside suspended our Community Meals program indefinitely and shifted to preparing meals for takeaway service that are ready to eat or freeze. Currently, we are working with two of our Community Meal sites to share 250 meals each week. Beginning mid-June, we will add four partners sharing another 200 meals each week. We plan to add more distributions by the end of June.

Wayside invested in a vacuum sealing machine to process donations of large quantities of perishable donations and/or repack items intended for commercial use. This will enable wayside to share more food with our community members especially as we enter the growing season. As we moved towards the next phase of the COVID response, we surveyed our partners regarding their anticipated needs and feedback from the community members they are working with. Wayside will use this feedback to inform our plans and the types of foods we source or purchase. We are preparing for the ongoing and expanded need for supplemental food into the fall and winter as the long-term economic and health impacts become clearer.

5. Budget for the Project: Wayside did not specifically budget for efforts to respond to the pandemic. Our entire agency's programming shifted to working exclusively on responding to the impacts of the pandemic in our community. Wayside received a Paycheck Protection Program loan to help secure wages, benefits, and rent for two months. Without qualifying meals shared via Community Meals or Mobile Food Pantries, our anticipated earned income from Child and Adult Care Food Program (CACFP) and Nutrition Services Incentive Program (NSIP) will be about \$16,000 less than budgeted. If awarded, Wayside will use CDBG-CV funds towards unanticipated costs to purchase food, supplies for safe sharing of meals and groceries, and personal protection equipment.

Board, Staff & Volunteer Development: \$300

Certifications, staff & board attendance at conferences, workshops or trainings

Communications & Events: \$12,450

Printed & digital outreach & fundraising materials

Contract Services: \$17,375

Legal & accounting fees, tech support & bookkeeping

Employee Wages, Benefits, Payroll Taxes & Fees: \$466,175

100% Executive Director, 100% Community Meals Manager, 100% Kitchen Manager, 100% Kitchen Assistant, 100% Operations Manager, 100% Administrative Assistant, 100% Warehouse Manager, 100% Warehouse Assistant, 100% Communications Manager & 100% Development Assistant & Metrics Coordinator

Equipment, Vehicles & Facilities: \$133,750

Rent, utilities, waste, vehicle fuel & maintenance; equipment maintenance & repairs.

Food: \$29,800

Insurances: \$13,375

Workers' Compensation, Liability & Directors & Officers Liability Insurances.

Operations & Serving Supplies: \$12,225

Postage, telecom, office supplies, license fees, kitchen supplies & serving supplies.

- 6. Partnerships, Collaboration, and Outreach:** Each week, Wayside takes part in a zoom meeting with the Maine Centers for Disease Control, Maine Dept. of Agriculture, Good Shepherd Food Bank, Cumberland County Food Security Council, and ~15 food pantries from across the county to share updates, safety guidelines, resources, and to prevent duplication of efforts.

Among the 20 partners sharing boxes of groceries are social workers from Portland Public Schools in collaboration with the Multilingual & Multicultural Center fill two school buses with 140 boxes of groceries to deliver to students and their families.

We are also working with Portland Public Schools, In Her Presence, Catholic Charities Refugee & Immigration Services, Greater Portland Family Promise, and to address some of the unique challenges our immigrant community is experiencing and supporting safe access to culturally appropriate and familiar foods.

Wayside's partnership with In Her Presence has evolved since they are unable to hold their meetings. Wayside has shared groceries they deliver to participants and the participants have shared hand-sewn masks for Wayside to share with community members.

Wayside is partnering with MaineHealth Social Work and Complex Care team to support newly discharged patients, who have undergone treatment for COVID-19 at Maine Medical Center with food. This partnership ensures that our most vulnerable community members have the support they need when they leave the hospital so that they can focus their energy and resources on their health.

Wayside is working with Cooking 4 Community, a Portland-based program that raises money to pay restaurants to prepare meals for vulnerable community members. This partnership keeps workers employed and maintains demand for food producers while sharing meals with vulnerable community members. Each week Wayside shares 125 meals through this partnership. So far five restaurants have been involved.

Dairy Farmers of America (DFA) is a milk marketing cooperative and dairy foods processor owned by more than 13,000 dairy farmers across the country. Through their Farmers Feeding Families Fund, they have partnered with Wayside to continue purchasing and supporting Oakhurst Dairy and local farms and to continue sharing dairy staples with our community members.

The Cumberland County Emergency Management Agency (CCEMA) has donated thousands of disposable gloves to Wayside.

D. CDBG-CV BUDGET FORM , limit 1 page

Complete one program budget spreadsheet for each program application.

Feel free to edit categories under Revenues or Expenditures as relevant to your program or project.

PROGRAM OR PROJECT NAME:

Agency-Wide COVID-19 Response

OPERATING AGENCY:

Wayside Food Programs

REVENUES		Please indicate: Secured or Projected	Revenues TOTAL
CDBG-CV Request		Projected	\$30,000
City of Portland CDBG FY19-20		Secured	\$17,696
City of Portland CDBG FY20-21		Secured	\$16,000
Grant Awards		Projected	\$115,704
Contributions		Projected	\$345,600
Earned Investments		Projected	\$4,800
Program Income		Projected	\$149,300
Rental Income		Secured	\$6,350
TOTAL PROGRAM or PROJECT REVENUE			\$685,450

EXPENDITURES	Expenditures CDBG	Expenditures All Other Sources	Expenditures TOTAL
Board, Staff & Volunteer Development		\$300	\$300
Communications & Events		\$12,450	\$12,450
Contract Services		\$17,375	\$17,375
Employee Expenses (Wages, Taxes, Benefits, Payroll Fees)		\$466,175	\$466,175
Equipment, Facilities, Vehicles	\$10,000	\$123,750	\$133,750
Food	\$20,000	\$9,800	\$29,800
Insurances		\$13,375	\$13,375
Operations & Supplies		\$12,225	\$12,225
TOTAL PROGRAM or PROJECT EXPENSES	\$30,000	\$655,450	\$685,450

ATTACHMENT A: VERIFICATION OF 501(C)3 STATUS

 **IRS** Department of the Treasury
Internal Revenue Service
P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077550279
Feb. 15, 2013 LTR 4168C 0
22-2806424 000000 00
00030201
BODC: TE

WAYSIDE FOOD PROGRAMS
PO BOX 1278
PORTLAND ME 04104-1278

027221

Employer Identification Number: 22-2806424
Person to Contact: Sophia Brown
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Nov. 29, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in September 1992.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your 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.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

WAYSIDE FOOD PROGRAMS
PO BOX 1278
PORTLAND ME 04104-1278

4077591934
Feb. 04, 2015 LTR 4168C 0
22-2806424 000000 00
00030665

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

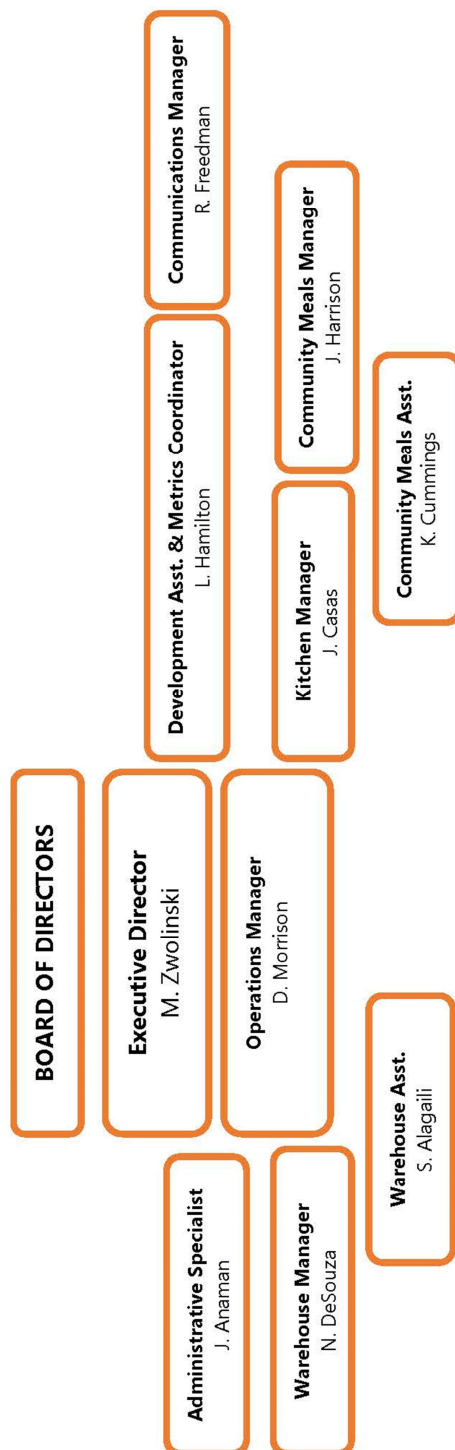
Sincerely yours,



Tamera Ripperda
Director, Exempt Organizations

ATTACHMENT B: AGENCY ORGANIZATIONAL CHART

**Wayside Food Programs Organizational Chart
November 2019**



ATTACHMENT C: MOST RECENT AGENCY OPERATING BUDGET SUMMARY

WAYSIDE FOOD PROGRAMS 2020 AGENCY BUDGET

REVENUE	
Grant Awards	\$179,400
Contributions	\$345,600
Earned Investments	\$4,800
Program Income	\$149,300
Rental Income	\$6,350
Total Revenue	\$ 685,450

EXPENSES	
Board, Staff & Volunteer Development	\$300
Communications & Events	\$12,450
Contract Services	\$17,375
Employee Expenses (Wages, Taxes, Benefits, Payroll Fees)	\$466,175
Equipment, Facilities, Vehicles	\$133,750
Food	\$29,800
Insurances	\$13,375
Operations & Supplies	\$12,225
Total Expenses	\$ 685,450

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT 1 OF 16

Financial Statements



December 31, 2018

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Financial Statements:

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Statement of Activities	4
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Statement of Cash Flows	6
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ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 2 OF 16



Independent Auditors' Report

**To the Board of Directors
Wayside Food Programs
Portland, Maine**

We have audited the accompanying financial statements of Wayside Food Programs (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 3 OF 16

Basis for Qualified Opinion

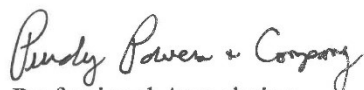
As explained in Note E to the financial statements, donated food and grocery products are not recorded in the financial statements. Accounting principles generally accepted in the United States of America require that such donated items be recorded at fair value at the date of receipt. The effects on the accompanying financial statements of the failure to record donated food and grocery products have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Wayside Food Programs as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Wayside Food Program's 2017 financial statements, and we expressed a qualified audit opinion on those audited financial statements in our report dated July 9, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Professional Association

Portland, Maine
August 6, 2019

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 4 OF 16

Statement of Financial Position

Wayside Food Programs

**As of December 31, 2018
(with comparative totals for December 31, 2017)**

	<u>2018</u>	<u>2017</u> (Restated)
Current Assets		
Cash	\$ 232,004	\$ 153,493
Investments	251,489	306,840
Accounts receivable	12,580	20,091
Prepaid expenses	-	80
Total Current Assets	<u>496,073</u>	<u>480,504</u>
Property and Equipment, net	<u>67,858</u>	<u>96,221</u>
Total Assets	<u>\$ 563,931</u>	<u>\$ 576,725</u>
Current Liabilities		
Accounts payable	\$ 4,022	\$ 8,938
Accrued expenses	15,713	12,904
Total Current Liabilities	<u>19,735</u>	<u>21,842</u>
Net Assets		
Without donor restrictions	<u>544,195</u>	<u>554,883</u>
Total Liabilities and Net Assets	<u>\$ 563,930</u>	<u>\$ 576,725</u>

See accompanying independent auditors' report and notes to financial statements.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 5 OF 16

Statement of Activities

Wayside Food Programs

For the Year Ended December 31, 2018
(with comparative totals for December 31, 2017)

	<u>2018</u>	<u>2017</u> (Restated)
Revenues and Other Support		
Grants and contracts	\$ 132,245	\$ 137,829
Contributions	264,315	189,721
Fundraising revenues	74,447	67,823
Program income - food and supplies	164,677	70,268
Interest and dividends	7,642	8,123
Rental income	6,225	6,944
Miscellaneous	<u>6,152</u>	<u>20,325</u>
Total Revenues and Other Support	655,703	501,033
Expenses		
Program services	505,623	501,429
Management and general	109,580	101,158
Fundraising	<u>43,643</u>	<u>5,166</u>
Total Expenses	<u>658,846</u>	<u>607,753</u>
Revenues Under Expenses	(3,143)	(106,720)
Realized and unrealized investment gain (loss)	(15,545)	16,870
Gain on sale of equipment	<u>8,000</u>	<u>-</u>
Decrease in Net Assets	(10,688)	(89,850)
Net assets at beginning of year	<u>554,883</u>	<u>644,733</u>
Net Assets at End of Year	<u>\$ 544,195</u>	<u>\$ 554,883</u>

See accompanying independent auditors' report and notes to financial statements.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 6 OF 16

Statement of Functional Expenses

Wayside Food Programs

**For the Year Ended December 31, 2018
(with comparative totals for December 31, 2017)**

	2018				2017
	Program Services	Supporting Services			
	Food Programs	Management & General	Fundraising	Total	Total
Salaries and wages	\$ 269,960	\$ 42,434	\$ 29,415	\$ 341,809	\$ 317,795
Employee benefits	44,587	11,890	2,972	59,449	59,358
Payroll taxes and processing	19,499	5,200	1,300	25,999	26,217
Professional services	4,616	10,513	6,833	21,962	13,766
Office expenses	-	16,975	-	16,975	8,408
Occupancy	46,848	12,493	3,123	62,464	59,741
Depreciation	28,363	-	-	28,363	26,564
Insurance	13,558	1,175	-	14,733	15,436
Food supplies	17,007	-	-	17,007	18,361
Warehouse	32,740	-	-	32,740	31,697
Auto expenses	17,376	-	-	17,376	13,734
Telephone and internet	4,646	1,549	-	6,195	6,165
Equipment rental and maint.	6,423	-	-	6,423	4,943
Miscellaneous	-	7,351	-	7,351	5,568
	<u>\$ 505,623</u>	<u>\$ 109,580</u>	<u>\$ 43,643</u>	<u>\$ 658,846</u>	<u>\$ 607,753</u>

See accompanying independent auditors' report and notes to financial statements.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 7 OF 16

Statement of Cash Flows

Wayside Food Programs

For the Year Ended December 31, 2018
(with comparative totals for December 31, 2017)

	<u>2018</u>	<u>2017</u> (Restated)
Operating Activities		
Decrease in net assets	\$ (10,688)	\$ (89,850)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	28,363	26,564
Realized and unrealized (gains) losses on investments	13,010	(19,696)
Gain on sale of equipment	(8,000)	-
Noncash contributions	(2,581)	(2,739)
(Increase) decrease in operating assets:		
Accounts receivable	7,511	(15,917)
Prepaid expenses	80	4,570
Increase (decrease) in operating liabilities:		
Accounts payable	(4,916)	(683)
Accrued expenses	2,809	1,585
Net Cash Provided (Used) by Operating Activities	<u>25,588</u>	<u>(96,166)</u>
Investing Activities		
Proceeds from sale of investments	180,418	150,014
Purchase of investments	(135,496)	(170,155)
Proceeds from sale of equipment	8,000	-
Purchase of property and equipment	-	(22,969)
Net Cash Provided (Used) by Investing Activities	<u>52,922</u>	<u>(43,110)</u>
Increase (Decrease) in Cash	78,510	(139,276)
Cash at beginning of year	<u>153,493</u>	<u>292,769</u>
Cash at End of Year	<u>\$ 232,003</u>	<u>\$ 153,493</u>

See accompanying independent auditors' report and notes to financial statements.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 8 OF 16

Notes to Financial Statements

Wayside Food Programs

Note A - Summary of Significant Accounting Policies

Nature of Activities

Wayside Food Programs (the Corporation) is a non-profit corporation established in Maine, exempt from income tax under section 501(c)(3) of the Internal Revenue Code. The Corporation helps people access food they need, working with hundreds of volunteers to rescue, cook, serve and distribute supplemental food throughout Cumberland County. The Corporation's programs include Food Rescue, Community Meals, Mobile Food Pantries, Healthy Snacks for Kids and the distribution of food for the USDA's Maine Emergency Food Program and the Commodity Supplemental Food Program. The Community Meals are free, weekly meals within neighborhoods in Portland/Westbrook. Through the Food Rescue Program, staff and volunteers collect and distribute food to over 50 agencies including food pantries, soup kitchens and social service organizations. There is no charge for any of the food that the Corporation serves or distributes. The Corporation is especially concerned with food insecure seniors and families. The Corporation's mission is the collection and equitable distribution of food to those in Cumberland County who need food.

Basis of Presentation

The accompanying financial statements include a statement of financial position, a statement of activities, a statement of functional expenses, and a statement of cash flows. The Corporation is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets without Donor Restrictions - Represents those resources that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants), and can be used for any purpose designated by the Corporation's governing board.

Net Assets with Donor Restrictions - Represents resources and the portion of net assets resulting from contributions and other inflows of assets whose use is subject to donor-imposed restrictions.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributed Services

During the year ended December 31, 2018, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Corporation, but these services do not meet the criteria for recognition as contributed services. The Corporation received approximately 14,000 volunteer hours during the years 2018 and 2017, respectively.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 9 OF 16

Notes to Financial Statements - Continued

Wayside Food Programs

Note A - Summary of Significant Accounting Policies - Continued

Revenue and Expense Recognition

The financial statements of the Corporation have been prepared on the accrual basis of accounting. Revenues received are recorded as revenue without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Expenses are recognized as incurred. Expense amounts are allocated among the various programs on both a direct basis and according to a cost allocation basis.

Estimates

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

Cash and Cash Equivalents

The Corporation considers cash in banks and all other highly liquid investments with a maturity of less than three months to be cash and cash equivalents for the purpose of cash flows. The Corporation maintains its cash and cash equivalents in bank deposit accounts, and at times balances may exceed federally insured limits. At December 31, 2018, the Corporation had no uninsured cash balance and has not experienced any losses in such accounts.

Investments

The Corporation reports its investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Accounts Receivable

Accounts receivable represents amounts due to the Corporation for dairy products sold at cost to local organizations. The allowance for doubtful accounts is provided based on an analysis by management of the collectability of outstanding balances. Management considers the age of outstanding balances and the credit worthiness of customers in determining the allowance for doubtful accounts. At December 31, 2018, management estimated allowance for doubtful accounts to be \$0.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 10 OF 16

Notes to Financial Statements - Continued

Wayside Food Programs

Note A - Summary of Significant Accounting Policies - Continued

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over appropriate estimated useful lives as follows:

	<u>Years</u>
Machinery and equipment	7
Furniture and fixtures	7
Vehicles	3-5
Leasehold improvements	7

Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowances, and any gain or loss is recognized. Depreciation expense for the years ended December 31, 2018 and 2017 was \$28,363 and \$26,564, respectively.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting functions of the Corporation. Those expenses include salaries, employee benefits, occupancy, utilities, professional services, and insurance. Salaries and employee benefits are allocated based on estimates of time and effort. Certain costs of occupancy, professional fees, and other office and utility expenses are based on management's estimate of the appropriate allocations for each expense.

Advertising Expenses

Advertising expenses are expensed as incurred. Advertising expense was \$0 and \$715 for the years ended December 31, 2018 and 2017, respectively.

Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2017, from which summarized information was derived. Some prior year balances have been reclassified to conform with the current year presentation.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 11 OF 16

Notes to Financial Statements - Continued

Wayside Food Programs

Note A - Summary of Significant Accounting Policies - Continued

New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets previously presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user’s ability to assess an entity’s available financial resources, along with its management of liquidity and liquidity risk.

Pending Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). ASC 606 (as revised) is a single, principle-based model for recognizing contract revenue and related incremental expenses. For entities other than public business entities, certain not-for-profit entities, and certain employee benefit plans, the Standard is effective for annual reporting periods beginning after December 15, 2018. The new Standard will be adopted by the Corporation beginning in 2019 and may include certain retrospective adjustments at that time. The effects on the Corporation’s future financial statements of these changes have not yet been determined.

Note B - Investments

Fair values of investments at December 31, 2018 are summarized as follows:

	<u>Fair Value</u>
Money market funds	\$ 4,362
Mutual funds - Fixed income	212,043
Mutual funds - Equity	30,358
Mutual funds - Commodity	4,726
	<u>\$ 251,489</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2018:

	<u>Without Donor Restrictions</u>
Interest and dividend income	\$ 7,642
Net realized and unrealized loss	<u>(13,010)</u>
Total investment loss	<u>\$ (5,368)</u>

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 12 OF 16

Notes to Financial Statements - Continued

Wayside Food Programs

Note C - Fair Value Measurements

The Corporation applies a framework for measuring fair values under generally accepted accounting principles which applies to all financial instruments that are measured and reported at fair value.

The framework for measuring fair value of the financial assets and liabilities includes a hierarchy of three levels for observable independent market inputs and unobservable market assumptions. A description of the inputs used in the valuation of assets and liabilities under this hierarchy is as follows:

Level 1 – Quoted prices are available in active markets, such as the New York or American Stock Exchange markets, for identical investments as of the reporting date. Level 1 also includes U.S. Treasury and federal agency securities and mortgage-backed securities traded by brokers or dealers in active markets.

Level 2 – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair values are obtained from third party pricing services that may use models or other valuation methodologies to derive market value. These may be investments traded in less active dealer or broker markets.

Level 3 – Pricing inputs are unobservable for investments and valuations are derived from other methodologies not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities. The types of investments in this category would generally include debt and equity securities issued by private entities and partnerships.

The following summarizes fair values of investment assets by levels within the fair value hierarchy at December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 4,362	\$ -	\$ -	\$ 4,362
Mutual funds - Fixed income	212,043	-	-	212,043
Mutual funds - Equity	30,358	-	-	30,358
Mutual funds - Commodity	<u>4,726</u>	<u>-</u>	<u>-</u>	<u>4,726</u>
	<u>\$ 251,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,489</u>

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment based on the lowest level of input that is significant to the fair value measurement. All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 13 OF 16

Notes to Financial Statements - Continued

Wayside Food Programs

Note D - Property and Equipment

Property and equipment consisted of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Machinery and equipment	\$ 128,398	\$ 128,398
Furniture and fixtures	532	532
Vehicles	59,164	97,978
Leasehold improvements	<u>47,021</u>	<u>47,021</u>
	235,115	273,929
Less accumulated depreciation	<u>167,257</u>	<u>177,708</u>
	<u>\$ 67,858</u>	<u>\$ 96,221</u>

Note E - Donated Food and Grocery Products

The Corporation receives donated food and grocery products from various sources. Due to the nature and variety of the donated food and grocery products, these amounts are not recorded in the financial statements. The Corporation estimates it received approximately 1,878,400 and 1,900,000 pounds of food and grocery products during the years ended December 31, 2018 and 2017, respectively.

Note F - Benefit Plans

The Corporation has established a SIMPLE retirement plan, covering its eligible employees. Under this arrangement, the Corporation matches elective deferrals made by the participants' up to a maximum match of 3% of the participants' compensation. Employer matching contributions during the years ended December 31, 2018 and 2017 amounted to \$8,262 and \$6,949, respectively.

Note G - Contingencies

The Corporation has grants that require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, management deems the possibility of immediate needs for contingency funds remote.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 14 OF 16

Notes to Financial Statements - Continued

Wayside Food Programs

Note H - Commitment

The Corporation has entered into a lease for office and warehouse space ending in December 2026. Under this agreement, the Corporation is charged a base rent plus miscellaneous charges. Rent expense related to the warehouse space was \$62,464 and \$59,741 for the years ended December 31, 2018 and 2017, respectively.

Future minimum lease payments for the next five years are as follows:

2019	\$ 58,183
2020	59,929
2021	61,727
2022	63,579
2023	65,486

During 2018, the Corporation entered into a lease for a vehicle ending in June 2021. Under this agreement, the Corporation is charged a base rent plus miscellaneous charges. Lease expense related to the vehicle was \$7,680 for the year ended December 31, 2018.

Future minimum lease payments for the next five years are as follows:

2019	\$ 15,360
2020	15,360
2021	7,680

Note I - Income Taxes

The Corporation qualifies as an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and files a Form 990 tax return. With few exceptions, the Corporation is no longer subject to examinations by tax authorities for years before 2015 due to statute of limitations. The Corporation has adopted the provisions of FASB ASC, Income Taxes. Management of the Corporation believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 15 OF 16

Notes to Financial Statements - Continued

Wayside Food Programs

Note J - Board Designated Net Assets

Board designated net assets consist of the following at December 31, 2018:

Operating Fund	\$ 6,085
Operating Reserve Fund	<u>251,489</u>
	<u>\$ 257,574</u>

Note K - Liquidity and Availability

Financial assets consist of the Corporation's cash, investments, and accounts receivable. The following reflects the Corporation's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the Statement of Financial Position.

Financial assets available to meet cash needs for general expenditures within one year consists of the following at December 31, 2018:

Financial assets, at year-end	\$ 496,073
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restrictions	-
Board designations:	
Operating Fund	(6,085)
Operating Reserve Fund	<u>(251,489)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 238,499</u>

The Corporation's financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements and planned increases in program expenditures in 2019.

The Corporation is substantially supported by contributions from donations solicited and contributions received. The Corporation actively manages its cash flow to ensure funds are available for general expenditures, liabilities, and other obligations as they come due. Although the Corporation does not intend to spend from its board designated funds listed in Note J, amounts from these funds can be appropriated if necessary.

ATTACHMENT D: MOST RECENT INDEPENDENT AUDITORS REPORT CONTINUED 16 OF 16

Notes to Financial Statements - Continued

Wayside Food Programs

Note L - Prior Period Adjustment

During the year 2018, adjustments were made to record revenue in the proper fiscal year. The effect of this adjustment increased accounts receivable by \$10,160 and increased program income by \$5,000 and fundraising revenues by \$5,160 as of December 31, 2017. The 2017 financial statements have been restated to reflect this adjustment.

Note M - Subsequent Events

Management has made an evaluation of subsequent events to and including August 6, 2019, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

ATTACHMENT E: LIST OF BOARD MEMBERS

WAYSIDE FOOD PROGRAMS 2020 BOARD OF DIRECTORS

John S. Leeming, President
Donald Quaid, Vice President
Robert J. Ayotte, Treasurer
David Hamilton, Secretary

Mark Ayers
Jennifer Frederick
Emily Kain
Laurie Mitchell
Tessa Petersen
Michael Quint
Ryan Ranger
John Romano
Karen Schilling

ATTACHMENT E: LETTER OF SUPPORT 1 OF 4



Most Rev. Robert P.
Deeley, J.C.D.
President

Rachel Grivois, CPA
Chair

Stephen P. Letourneau
Chief Executive Officer

Hannah DeAngelis
Program Director

Portland Office
80 Sherman Street
Portland, ME 04101

Tel: (207) 871-7437
Fax: (207) 871-7465

Lewiston Office
27 Pine Street
Lewiston, ME 04240

Tel: (207) 344-6615
Fax: (207) 344-6617

www.ccmaine.org/RIS

May 26, 2020

Dear Sir/Madam,

Catholic Charities Maine Refugee and Immigration Services is pleased to support Wayside Food Programs' application for the city of Portland CDGB grant opportunity for funding in order to expand their food distribution in the Greater Portland Area.

The Refugee and Immigration Services has partnered with Wayside Food Programs since early March 2020, when the COVID-19 outbreak started in Maine, and we needed to make sure our most vulnerable clients among the refugees get food delivered to their homes.

Following our inquiry, Wayside Food Programs staff have put together a plan to make an average of 25 boxes of food available every week, to be delivered to our elder clients and those who have underlying medical conditions. Without this program, these populations may not be able to safely get the food they need during this Covid-19 pandemic lockdown.

Wayside Food Programs is uniquely positioned and qualified to continue its food assistance work with local service providers to fight food insecurity. Such work will complement our efforts in serving refugees and immigrants who are already facing so many challenges like, extreme poverty, language and transportation barriers.

We are enthusiastic about this proposal and its promise to continue the work of Wayside Food Programs on food assistance. If you have any concerns or questions, feel free to contact me at (207) 650-3939 or e-mail at bly@ccmaine.org

Baba Ly Sr

Baba Ly, Sr.
Assistant Director
Refugee and Immigration Services
Catholic Charities Maine



ATTACHMENT E: LETTER OF SUPPORT 2 OF 4



| Empowering Immigrant Women

IN HER PRESENCE

May 27, 2020

Grant Review Committee city's CDBG grant application

Dear Review Committee,

It is our pleasure to submit this letter in support of Wayside Food Programs and their proposal to the City for their work with immigrant women and families. We have partnered with Wayside for the last three years, first as a supportive venue for their series of classes with women, and last year and Wayside has been providing snacks every Saturday program.

During this pandemic of COVID-19 As you know, In Her Presence took steps to help mitigate the impact of the virus on our community. Our teachers and volunteers are working so hard to stay connected with the women by teaching online and remotely.

On the other side, our women and families are struggling for basic needs like food, diapers, childcare, etc... Our seniors are staying inside due to high-risk exposure. Some women are not going to be paid and employers are telling them to collect unemployment. You know how it's so hard for our immigrant families to deal with language and now everyone is working from home, it's even worse. Others can't work because they don't have access to childcare which forces them to stop working. They have problems paying rent and other bills.

IHP has been able to distribute food every other week to the women, children and families with the collaboration with Wayside Food Programs. We have been dropping out food in front of the house to respect social distancing. Wayside has been a problem solver for our women and our partnership will be stronger and stronger in the future.

By developing programs and relationships to support Wayside Food Programs, we leverage our collaboration to strengthen participant language skills and confidence and equip them with resources to support their children's learning, to achieve greater healthy wellbeing stability for their family, and to smooth their integration in the community. Wayside allows the use of the warehouse so we can get diapers as well, multiple volunteers who are sorting and packaging boxes for families. To value that collaboration. IHP has provided masks made by our seamstresses to keep volunteers and community safe.

We are delighted to support the Wayside Food Program in its application as it seeks to provide vulnerable families of the Greater Portland area with opportunities for growth, creativity, and engagement. Through Wayside's work, our newest, youngest, and often most vulnerable neighbors gain skills, wellbeing and confidence about themselves, their community, and how they can best thrive.

Sincerely,

Claudette Ndayinahaze, In Her Presence, Volunteer Executive Director

In Her Presence 41C Walker street Westbrook Maine 04092
Telephone 207-347-9891/ 207-331-7811. inherpresence.maine@gmail.com. <https://inherpresence.org/>

ATTACHMENT E: LETTER OF SUPPORT 3 OF 4



Commissioners

Mariar Balow, Chair
Robyn Tucker, Vice Chair
Kristin Blum, Commissioner
Christian MilNeil, Commissioner
Monique Mutumwinka, Commissioner
Shirley Peterson, Commissioner
Thomas Valleau, Commissioner

Cheryl A. Sessions
Executive Director

14 Baxter Blvd.
Portland, Maine 04101
Office: 207-773-4753
Fax: 207-761-5886
www.porthouse.org

May 29, 2020

Mary P. Davis, Division
Director City of Portland, Housing & Community Development Division
389 Congress Street, Room 312
Portland ME 04101

Re: Letter of Support for Wayside Mobile Food Pantry

Dear Ms. Davis:

The Portland Housing Authority (PHA) is very pleased to support Wayside Mobile Food Pantry's application for the City of Portland's Community Development Block Grant. In 2019, Wayside, with the aid of PHA, was able to sign up 200 people in 65 households in the Kennedy Park neighborhood to receive food. It is estimated people usually get enough groceries to make about ten meals per person. In the first four months of the partnership, Wayside Mobile Food Pantry was able to provide enough groceries for almost 4,400 extra meals in the Kennedy Park neighborhood!

This year, since the Covid-19 virus has so profoundly impacted our residents, Wayside has been providing abundant weekly food donations to the neighborhood in place of the mobile food pantry. Working together with PHA's dedicated and enthusiastic staff, we able to pass out food every week to more than 75 PHA households.

At this difficult time, many families are out of work and have also had children home from school for several weeks, creating a much higher demand on their groceries, which already don't last the month. The donations from Wayside have been invaluable in helping our residents stretch their food stamps and fill that grocery gap. The joy of a little abundance in the midst of so much despair has been uplifting.

The staff at Wayside goes above and beyond to help the community with everything they do. The Portland Housing Authority is excited about continuing the close working relationship with Wayside Mobile Food Pantry and helping with food security for our residents.

We sincerely hope that Wayside is able to continue the important work they do in Kennedy Park and in the rest of the community! Thank you for considering them for the City of Portland's Community Development Block Grant.

Sincerely,

Cheryl A. Sessions

ATTACHMENT E: LETTER OF SUPPORT 1 OF 4

118 Congress Street, Unit 303
Portland, Maine. 04101

May 30, 2020

Re: Letter of Support for Wayside Food Programs' application for a Covid-19 response grant designated for food distributions

To whom it may concern:

For well over a decade, I have partnered with Wayside Food Programs both as funder (as the previous executive director of the Sam L. Cohen Foundation and currently as a donor advisor to the Maine Community Foundation's Frances Hollis Brain Fund) and in my current capacity as a lead volunteer for the Cathedral Church of St. Luke's food pantry. From my relationship as a funder, I have gained great respect for the work that Wayside does to help feed the needy in greater Portland and also to build community.

I am writing this letter, however, from the perspective of St. Luke's Food Pantry's partnership with Wayside. St. Luke's pantry is located at 134 Park Street (between Congress & Spring streets). We are one of the few food pantries south of Congress Street and west of High Street. We serve from 10 to 25 families (15 to 70 individuals) weekly. Our clients or "neighbors" primarily live in the neighborhood. They walk to the pantry bringing a suitcase with wheels, a walker or some other means for carrying the food that they receive. Few of them travel by bus or have cars to drive. The majority are older, many with physical and/or mental disabilities. They are a mixture of those who have spent most of their lives in Maine, and those who have newly arrived. Needless to say, the number of those looking for food has significantly grown over the past few months.

St. Luke's receives the vast majority of the food it distributes from Wayside including its TEFAP and CSFP (senior boxes) distributions. On a weekly basis, St. Luke's purchases fresh milk from Wayside at a greatly reduced rate. And prior to the pandemic, St. Luke's volunteers went to Wayside to "shop" (pick up surplus food, e.g. fresh produce, meat, bread, dairy products) that Wayside had received as donations from local grocery stores, restaurants and farmers. Since the beginning of the pandemic, instead of shopping St. Luke's has been getting boxes of food that Wayside has prepackaged to give to individual families. Needless to say, without this food, St. Luke's food pantry's capacity to serve would be greatly diminished.

The many ways, in addition to providing food, that Wayside contributes to the success of its partners is equally as important. Wayside knows the community and has provided important insights about how St. Luke's can best perform its individual role in addressing Portland's food insecurity needs. Wayside brings together food safety net providers to share ideas and collaborate. If one pantry has a particular problem, another pantry may be able to share what they learned when they had a similar problem. Wayside knows best practices and encourages its partners to follow them. Wayside facilitates St. Luke's partnership with Good Shepherd Food Bank. And finally, Wayside is easy to work with as they are responsive, flexible, accommodating, supportive and friendly.

Portland has a high rate of food insecurity that is growing sharply during this unstable time. Investing in Wayside is an excellent way to invest in the people of Portland.

Thank you for your consideration.

Nancy Brain

COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS RESPONSE

II. CDBG-CV APPLICATION

COMPLETE APPLICATION CHECKLIST

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

- ☒ A. CDBG-CV Application Cover Page, *limit 1 page*
- ☒ B. CDBG-CV Application Worksheet, *limit 2 pages*
- ☒ C. CDBG-CV Application Narrative, *limit 5 pages*
- ☒ D. Budget: Revenues and Expenditures, attached separately, *limit 1 page*

Budget worksheet MUST match budget listed on the Cover Page, Summary page, and in the narrative

Required documents for non-profit organizations:

- ☒ Verification of 501(c)3 or 6 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

Signature of the President or Executive Director

Date

Donna Yeck 6/5/20

CDBG-CV COVER PAGE**CDBG-CV COVER PAGE**

Service Type	☐ Homeless Prevention ☒ Food Assistance		
CDBG-CV Type	☐ Prevention of the Coronavirus ☐ Preparation for the Coronavirus ☒ Response to the Coronavirus		
Operating Agency	Preble Street		
Program Name	Food Programs		
Program Area			
Mailing Address	38 Preble Street Portland, ME 04101		
Address Services are Delivered	PLEASE DO NOT MAIL 252 Oxford Street Portland, ME 343 Cumberland Ave Portland, ME 190 Valley Street Portland, ME		
Executive Director /Town Manager	Mark R. Swann	Phone 207-775-0026	Email mswann@preblestreet.org
Project Director	Donna Yellen	Phone 207-775-0026	Email dyellen@preblestreet.org
Financial Contact	Kathleen Bennett	Phone 207-775-0026	Email kbennett@preblestreet.org
Person who completed the Application	Elena Schmidt	Phone 207-775-0026	Email eschmidt@preblestreet.org
Amount of CDBG-CV Funds Requested \$60,000		Total Program Budget \$2,830,813	
DUNS Number: 780081485		Tax Id: 01-0418917	
		Estimated number of people who will be served: 4,000	

B. CDBG-CV WORKSHEET, limit 2 pages

1. HUD National Objective. All CDBG-CV programs must serve Low and Moderate Income Clientele

- ☒ **Low and Moderate Income Clientele (LMC):** an activity which provides benefits to a specific group of persons of which at least 51% qualifies as LMI Portlanders

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)

2. Beneficiaries.

A. Describe the beneficiaries or clients served by the program.	A. People of all ages who because of homelessness or poverty caused or exacerbated by the failing economy and explosion in joblessness are unable to meet their basic nutrition needs
B. How many will be served by the proposed program? (unduplicated -per year)	B. 4,000
C. How many are <i>Portland Resident</i> ?	C. 3,500
D. How many are <i>low to moderate income residents of Portland</i> ? See income data in the instructions	D. 3,150
E. What percentage of total clients are low to moderate income residents of the Portland? (To calculate = $D/B * 100$; Must be > 51%)	E. 90%

3. Program Costs and Outcomes. Please list below.

Program Costs (to be reimbursed)	Outcomes/ Community Impact
\$36,000	780,000 nutritious meals distributed to 2,500 sheltered children and adults recorded in ESAC and at least 500 additional people unsheltered or living in substandard housing
\$24,000	Cleaning and occupancy costs, including equipment and supplies

4. Documentation

A. How will the beneficiaries' information be collected and documented?	+ For meals at the Teen Center and Florence House, clients are counted and information is collected by program staff and documented in agency data management systems. For Food Box meals we collect and document information on the people in each family unit for reporting.
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	+ For the high volume of participants served at partner agency shelter sites, we count the number of meals distributed and depend on partner agencies to collect and document personal beneficiary information. +In response to the COVID-19 pandemic we distribute prepared meals 3 times a day, 7 days a week to every shelter in Portland and expect they are collecting and reporting client specific data. +To meet safety guidelines we're responding to an 85% increase in demand and have not yet completed an intake system to integrate data.
B What documentation will be used to prove the funds are going to the prevention, preparation or response to the Coronavirus?	B We had immediate evidence when comparing meal distribution in January and February compared to the numbers served in April and May as well as costs associated with preparing, packaging, and delivering nutritious meals to go.
C. How will the units of service be tracked and documented?	C. Staff collect and document the number of people served as meals are prepared and distributed 7 days a week at Preble Street Food Pantry, served at the Teen Center and Florence House soup kitchens 3 times a day, 7 days a week; as well as prepared three times a day, 7 days a week for the Oxford Street Shelter, family shelter, and quarantine shelter; the Expo, the YMCA, Milestone, and GA hotels.
D. How will the outcomes be measured, collected, and documented?	D. Food programs staff track the quantity of meals produced and distributed through all distribution channels mentioned above (e.g. OSS, YMCA, Milestone) as well as meals served at Preble Street program sites (Teen Center, Florence House) to ensure adequate quantity of resources, nutritional value, and consistent quality. Meals served data at Preble Street programs is documented in census counts and entered in the client database to identify needs by program and by meal, to monitor trends, and to report to funders. For meals distributed to other city and private social service programs and agencies, we monitor the content and volume of meals to ensure nutritional integrity, but we are not able to collect recipient data regarding outcomes for meals distributed to partner agencies.

C. CDBG-CV APPLICATION NARRATIVE

1. Program Description

Between March and April of 2020, the number of emergency meals provided by Preble Street Food Programs went from 68,000 to 101,000 to meet the skyrocketing need caused by the economic effects and health threat of COVID-19.

At the same time, Preble Street Food Programs at the Resource Center had to shift rapidly from its traditional soup kitchen and food pantry models to adhere to public health best practices such as social distancing, while keeping its commitment to meet urgent food needs in the safest way possible.

Initially, we added extra seatings at the Soup Kitchen congregate meals to limit the number of guests in the dining room at one time. When it became impossible to add enough seatings to each of the three daily meals to meet the need, we restructured the Resource Center Soup Kitchen model altogether and began preparing, packaging, and distributing To Go meals three times a day, 7 days a week at the Resource Center; and we expanded the Food Pantry emergency food box distribution from one day a week to 7 days a week.

The community soup kitchen model was transformed completely in the space of a few weeks in March and April as the threat of COVID-19 kept escalating; and we worked to find ways to get food to people while keeping them as well as our staff and volunteers safe.

At the same time, while all meals at the Resource Center are now provided To Go, we also continue to prepare and serve nutritious hot meals three times a day, 365 days/year, to women and youth sheltering at the Florence House Women's Shelter and the Teen Center – where we can observe adequate distancing.

Driven by the impact of COVID-19, we also began to ship meals out to area shelters so guests can safely shelter in place. For example, we send meals every day to tenants of the YMCA, and when we learned that people placed in a nearby motel were experiencing severe food insecurity, we began sending dinners there every day as well.

In addition, we now also deliver or prepare for pickup meals to the City of Portland Oxford Street Shelter, the Family Shelter, the Quarantine Shelter, the EXPO, as well as Milestone, and the General Assistance hotels in order to ensure that homeless people with no other means of nutrition are able to shelter in place – both to avoid unnecessary exposure to COVID-19 for people who are healthy and to make sure people who have contracted COVID-19 also have adequate nutrition.

In addition to bagged meals To Go for individuals, the Preble Street Food Pantry distributes supplemental grocery boxes every day to people (including families and individuals) who are housed but whose income is not adequate to cover their expenses.

A Coronavirus Response Grant will support all the escalating need and Preble Street Food Programs efforts to ensure meals are available 365 days a year to meet the needs of people in Portland who are homeless or living in poverty while facing an unprecedented crisis.

Our Food Programs are designed to ensure the adequate nutrition and optimum health of homeless and low-income people of all ages—from teenagers to women escaping abuse to immigrant families and elders struggling to maintain independent living on a fixed income, who are living in situations where they cannot store or prepare food or for whom food is unaffordable.

We are continually actively exploring ways to both make sure that people are not going hungry, while simultaneously trying to ensure they do not have to congregate in an unsafe manner. This will almost certainly entail more data collection, more deliveries, more adjustments, more outreach, more staffing, more trash collection, and not least, more costly takeout packaging and more foods that are both nutritious and portable.

Despite the changes in how meals are delivered in response to COVID-19 safety precautions, we are providing more meals than ever 3 times a day, 365 days a year as more and more people have experience the loss of income or housing.

2. Need for the Program and CDBG-CV Funds as it relates to the Coronavirus

April 2020 was the busiest month in our history, with 101,110 meals distributed. That represents an 86% increase over April 2019; and we distributed 2,117 food boxes, a 193% increase over the previous April as a result of the devastating effect COVID-19 has had on employment and economic stability for low-income and homeless people in our community,

The total of meals distributed rose from an average of 52,000 a month, to 68,000 in March, and over 101,000 in both April and May as jobs, and even places of refuge, for the most vulnerable members of our community have disappeared. These increases in food production are driven by the dramatic increase in need and our commitment to meet that need for people who are marginally housed, placed in motels by GA or veteran's programs, as well as those who are still in shelters, and those who are unsheltered.

Historically, we have distributed pantry food once a week. But with COVID-19, we began distributing pantry boxes every afternoon, and in April and May, we provided food boxes to an average of 65 households a day. In May alone, we provided 66,669 pantry food box meals to veterans and their families, various medical providers, tenants in affordable housing units, and new Mainer communities, all of whom have been adversely affected by COVID-19 hardships.

The number of soup kitchen meals – now distributed in To Go containers -- has averaged 30,000 per month, to people who depend on prepared meals for their survival.

While Food Programs depend on donated food as well as volunteers —we have had to increase staffing significantly to offset the loss of volunteers. In addition, the change of delivery model means our costs for purchasing supplies – such as compostable To Go containers and sanitizing supplies – and the costs of transporting food have increased enormously.

In addition, we have purchased extra trash containers and are scheduling additional shifts of custodial staff each day to monitor the streets throughout Bayside from the city shelter to the Post Office in order to keep the neighborhood as clean as possible.

We are leveraging every resource we have access to as we try to keep up with demand and are giving out food as fast as we can source it.

3. Project Management

Preble Street Food Programs are licensed and inspected by the City of Portland and are under the direction of the Senior Director of Food Programs and Facilities and skilled Kitchen Supervisors supported by Kitchen Operations Assistants, many of whom are ServSafe certified.

Unfortunately, due to COVID-19 many of our thousands of volunteers have had to withdraw because they are among the most vulnerable population or they were reluctant to leave their own homes. So to continue operating at all sites and serve the increased demand, we have had to hire more staff to keep up with production and distribution at the 3 soup kitchens each serving 3 meals a day and a daily emergency food box distribution.

4. Readiness to proceed

Preble Street Food Programs are currently fully operational and have been running without interruption for more than three decades. When confronted by the challenges of COVID-19, we had the problem-solving skills to identify solutions and the flexibility to quickly pivot and create new models to respond as the threat increased. We rapidly hired new staff, instituted new routines, devised new menus, created new cooperative relationships with our partners, and kept the community aware of our service changes.

While the need continued to increase and demanded ongoing adjustments to meet new challenges, during the crisis we have been constantly adjusting and adopting new models, such as off-site delivery, and heightened safety practices, to meet the evolving need and ensure that we can serve our vulnerable neighbors regardless of the circumstances.

With the support of CDBG funds, will continue to safely provide for the nutritional needs of homeless and low-income individuals experiencing homelessness and poverty.

5. Budget for the Project

The costs for this proposal include increased food purchases as well as costs related to occupancy and the increased demand and need for sanitizing the food production and distribution area to adhere to heightened safety standards.

		Original Budget	Projected Spend	Increase
Budget Category				

Cleaning and Occupancy Costs		99,588	166,450	66,862
Food Costs		278,000	380,000	102,000

6. Partnerships, Collaboration, and Outreach

To produce and distribute more than 100,000 meals and food boxes each month to meet the basic emergency needs of the CDBG target population during the COVID-19 pandemic, Preble Street partners with numerous private and public organizations to meet the hunger needs of Portland residents who experience homelessness and poverty and has led major efforts to collaborate to efficiently meet the food security needs of Portland residents.

Two of our strongest partners are Good Shepherd Food Bank of Maine -- a major source of donated food --from whom we receive approximately 35% of our food resources, as well as the City of Portland General Assistance Workfare Program, whose participants assist with meal preparation, cooking, serving, and cleanup.

Wayside Food Programs also provides approximately 8% of the food we use, which represents our allotment of USDA surplus as well as rescued food, which Wayside collects and redistributes.

D. CDBG-CV BUDGET FORM , limit 1 page

Complete one program budget spreadsheet for each program application.

Feel free to edit categories under Revenues or Expenditures as relevant to your program or project.

PROGRAM OR PROJECT NAME:

Food Programs

OPERATING AGENCY:

Preble Street

FY2020 Updated Budget for COVID19 Response

REVENUES	Please indicate: Secured or Projected	Revenues TOTAL
CDBG-CV Request	Projected	60,000
Other HUD Funds (please list)		
a.		
Other Federal Funds (please list)		
a. FEMA	Secured	284,154
b. USDA	Secured	17,658
State/ County Funds (please list)		
a. Cumberland County		
b.		
City Funds		
Private Funds (Grants, Fundraising, etc, please list)		
a. United Way	Projected	24,750
b. Private Fundraising	Projected	891,578
In Kind Services	Projected	500
In Kind Goods	Projected	1,582,500
TOTAL PROGRAM or PROJECT REVENUE	0	2,861,140

EXPENDITURES	Expenditures CDBG	Expenditures All Other Sources	Expenditures TOTAL
Administration		125,040	125,040
Employee Salaries		698,544	698,544
Employee Fringe Benefits		144,280	144,280
Professional Services/ Consultant		6,408	6,408
Equipment		-	-
Materials/Supplies		4,512	4,512
Office Space (Program only)	24,000	143,259	167,259
Insurance		4,440	4,440
Other, please specify			-
a. Recruitment, orientation and training		7,704	7,704
b. Licenses, dues & fees including payroll		432	432
c. Travel		8,124	8,124
d. Technology		11,484	11,484
e. Food	36,000	342,002	378,002
f. In Kind Goods		500	500
g. In Kind Services		1,582,500	1,582,500
h. Investment in Capital Expenditures		5,000	5,000
i. Meal Allocation		(283,089)	(283,089)
TOTAL PROGRAM or PROJECT EXPENSES	60,000	2,801,140	2,861,140

MEMORANDUM OF AGREEMENT

With this Memorandum of Agreement, **GOOD SHEPHERD FOOD BANK** commits to working with **PREBLE STREET FOOD PROGRAMS** to provide food assistance to people experiencing homelessness and living in poverty in Portland in response to the increased need presented by the COVID-19 pandemic.

Shared Goals & Objectives

Good Shepherd Food Bank agrees to provide food to Preble Street Food Programs in support of our common goal to meet basic needs, improve the health and well-being of people who are food insecure, and transition individuals and families out of poverty and into stability.

Good Shepherd Food Bank and Preble Street share the objective of providing food to homeless and low-income individuals in Portland, and Preble Street Food Programs ability to distribute food directly to the most at-risk and underserved individuals and families in the community is dependent on this collaboration. Our joint goal in providing these services during the COVID-19 crisis is to strengthen the continuum of care that improves the safety and meets the nutritional needs of the increased number of people in our community who have become food-insecure because of the effects of the public health crisis and its consequent economic impact.

Description of Services

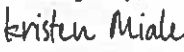
Good Shepherd Food Bank will provide over 900,000 pounds of food throughout the COVID-19 period to assist Preble Street Food Programs efforts to distribute prepared meals to social service providers throughout the City of Portland three times a day, 7 days a week; provide emergency food boxes 7 days a week at Preble Street, and operate two shelter soup kitchens, each serving 3 meals a day.

Space & Employees

Good Shepherd Food Bank operates Monday through Friday out of our headquarters in Auburn, Maine and dedicates the equivalent of 1 FTE in the effort to distribute food to Preble Street Food Programs in Portland at least weekly.

Allocation of Funds

Good Shepherd Food Bank and Preble Street have independent funding structures for the collaborative program model. Good Shepherd Food Bank is independently supported through public and private fundraising, USDA, and program revenue. The value of services to homeless adults and families in Portland is approximately \$1,512,000.

DocuSigned by:

Kristen Miale
6/5/2020
Date

President
Good Shepherd Food Bank


Mark Swann, MSPA
6/5/20
Date

Executive Director
Preble Street



CITY OF PORTLAND

June 5, 2020

Mark R. Swann, Executive Director

Preble Street

38 Preble Street

Portland, ME 04101

Dear Mark:

The City of Portland is pleased to provide a letter of support for the Preble Street application for a City of Portland Coronavirus Response Grant for Preble Street Food Programs.

For decades Preble Street Food Programs have cooperated with the City and other social service providers to meet the immediate food needs of people who are homeless and living in poverty in Portland. During the COVID-19 crisis these intensive efforts have never been more valuable.

Preble Street Food Programs are working diligently to feed people who are hungry, including people served by the City of Portland, Department of Health and Human Services, Social Services Division, homeless people in shelters, and Portland residents who are living in poverty. The City of Portland and Preble Street work collaboratively to both ensure low- to moderate income people are safe and nourished and to improve the stability of vulnerable populations including providing opportunities for workfare participants to meet their obligations by working in Preble Street Food Programs.

With the onset of the COVID-19 pandemic and the economic hardship it has caused, Preble Street Food Programs have stepped up to provide meals to hundreds of food-insecure individuals and families throughout Portland. While increasing the volume of meals produced and distributed, Preble Street has made it possible to observe public health best practices and optimize safety of clients, while making food as accessible as possible.

In addition to providing nutritious meals To Go seven days a week at the Food Pantry, Preble Street has responded to the COVID-19 epidemic by preparing meals to various City of Portland shelter programs, including the Oxford Street Shelter and the Quarantine Shelter to help strengthen the continuum of care available to people who are hungry and homeless during the crisis.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Geyer", is written over a horizontal line.

Aaron Geyer

Social Services Division Director

Board of Directors 2019-2020

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Yemaya St. Clair, LCPC-C—Hampden, Maine
Mental Health Counselor

Renee Schwalberg, MPH—Portland, Maine
Health Policy Consultant

Maurice A. Selinger III, Esq.—Freeport, Maine
Partner, Curtis Thaxter

Benjamin Shambaugh, D. Min.—Portland, Maine
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Carlann Welch, Psy.D.—Yarmouth, Maine
Clinical psychologist/juvenile forensic consultant

Lori Whynot—Cape Elizabeth, Maine
Senior Vice President, Unum

Jennifer Wilson—Yarmouth, Maine
Corporate Merchant Manager, Vice Chair, LL Bean

**Preble Street
FY20 Budget**

	FY20		FY20
<u>REVENUES</u>		<u>EXPENSES</u>	
PRIVATE SOURCES		PERSONNEL	
Donations	\$ 1,100,000	Wages	\$ 6,663,887
Foundations	1,200,000	Taxes & Benefits	1,635,649
Major Donors	1,700,000		
Total Donations	\$ 4,000,000	TOTAL PERSONNEL	\$ 8,299,536
Residential Services Grants	\$ 5,000	OTHER OPERATING EXPENDITURES	
United Way	339,000	Program expenses	\$ 40,000
United Way - Donor Desig.	90,000	Food, smallware & paper goods	278,000
Other Private Sources	75,000	Farm to Pantry	-
Total Other Private Sources	\$ 509,000	Client Assistance funds	581,812
		Stipends	24,800
TOTAL PRIVATE SOURCES	\$ 4,509,000	JVC/AmeriCorps Expense	13,800
		Travel	88,529
PUBLIC SOURCES		Occupancy	513,496
Maine State Housing Authority	\$ 211,000	Office Supplies	83,722
FEMA	17,278	Technology, Software & Phones	213,221
USDA	30,000	Staff Dev, recruitment & orientation	115,085
City of Portland-CDBG	63,568	Licenses/dues/fees	25,700
State of Maine DHHS	468,459	Professional Fees	45,000
State of Maine Florence House	842,523	Miscellaneous	-
State of Maine DHHS - Health Services	114,318	Research and Evaluation	5,000
City of Portland - LP	73,000	Consultants	37,800
City of Portland - RC	116,000	Subcontract	207,360
General Assistance	42,000	Insurance	50,982
Mainecare-Targeted Case Mgmt	95,033	Total Other Operating Expenditures	\$ 2,324,307
Federal DHHS	200,000		
Veterans Administration	2,141,550	TOTAL OPERATING EXPENDITURES	\$ 10,623,843
Anti-Trafficking - 1 - Comprehensive	258,333		
Anti-Trafficking - 2 - Specialized Services	233,333	OPERATING CASH SURPLUS (DEFICIT)	\$ 1,124
Anti-Trafficking - 3 (Minors - starts 10/01/19)	125,000		
Anti-Trafficking - NECAT & Freedom Network	36,550	CAPITAL AND NON-CASH EXPENDITURES	
HUD - Residential Services Funding	477,648	Capital Expenditures	\$ 35,000
HUD-Supportive Housing Grant	310,118	Non-Cash Expenditures	
TOTAL PUBLIC SOURCES	\$ 5,855,711	In-kind Goods	2,100,000
		In-kind Services	170,000
OTHER REVENUE		Total In-kind Goods and Services	2,270,000
Rental income	\$ 12,240		
Interest Income	9,000	Depreciation	267,216
38 Preble Capital Campaign Operational Fund	140,000		
Board Restricted Fund - Draw	99,016	TOTAL CAPITAL AND NON-CASH EXPENDITURES	\$ 2,572,216
TOTAL OTHER REVENUE	\$ 260,256		
		FY20 AGENCY OPERATING SUPLUS (DEFICIT)	
TOTAL OPERATING REVENUE	\$ 10,624,967	TOTAL REVENUE	\$ 12,894,967
		TOTAL EXPENDITURES (including Non-Cash)	13,196,059
NON-CASH REVENUE			
In-kind Goods	\$ 2,100,000	FY20 AGENCY SURPLUS (DEFICIT)	\$ (301,092)
In-kind Services	170,000		
TOTAL NON-CASH REVENUE SOURCES	\$ 2,270,000		
TOTAL REVENUE	\$ 12,894,967		



PREBLE STREET
FINANCIAL STATEMENTS
June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
of Preble Street

Report on the Financial Statements

We have audited the accompanying financial statements of Preble Street (the Organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preble Street as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in *Change in Accounting Principle* footnote, in 2019 Preble Street adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020, on our consideration of Preble Street's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Preble Street's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Preble Street's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

January 31, 2020

South Portland, Maine

PREBLE STREET
Statements of Financial Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash	\$ 2,144,927	2,325,654
Accounts receivable	38,842	42,732
Pledges receivable, current portion	108,810	155,430
Grants receivable	591,535	728,021
Prepaid expenses	187,513	133,710
Inventory	1,117	3,394
Total current assets	3,072,744	3,388,941
Investments:		
Investments	3,690,066	3,755,554
Beneficial interest in perpetual trust	160,825	158,022
Total investments	3,850,891	3,913,576
Property and equipment:		
Land	422,930	422,930
Buildings and improvements	8,109,609	8,038,667
Equipment	785,219	767,289
Vehicles	25,500	25,500
	9,343,258	9,254,386
Less accumulated depreciation	(3,825,468)	(3,553,866)
Net property and equipment	5,517,790	5,700,520
Other assets:		
Pledges receivable, non-current, net	-	4,951
Unemployment trust	44,491	41,473
Deferred compensation plan assets (457(b))	113,339	121,950
Total other assets	157,830	168,374
Total assets	\$ 12,599,255	13,171,411
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 200,728	172,130
Accrued expenses	574,321	596,900
Capital lease, current portion	-	1,084
Total current liabilities	775,049	770,114
Total liabilities	775,049	770,114
Net assets:		
Without donor restrictions:		
Undesignated	2,357,326	2,513,522
Board-designated investments	1,593,033	1,603,303
Investment in property and equipment	5,517,790	5,699,436
Total without donor restrictions	9,468,149	9,816,261
With donor restrictions	2,356,057	2,585,036
Total net assets	11,824,206	12,401,297
Total liabilities and net assets	\$ 12,599,255	13,171,411

See accompanying notes to financial statements.

PREBLE STREET
Statements of Activities
For the Years Ended June 30, 2019 and 2018

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue and support:						
Government grant income	\$ 5,369,811	-	5,369,811	5,783,434	-	5,783,434
Fee for service income	261,951	-	261,951	302,455	-	302,455
Contributions	3,705,515	99,163	3,804,678	4,270,699	196,617	4,467,316
Donated services	262,170	-	262,170	168,300	-	168,300
Donated goods	2,010,420	-	2,010,420	2,047,867	-	2,047,867
United Way	397,803	-	397,803	481,782	-	481,782
Other income	13,628	-	13,628	12,905	-	12,905
Investment income, net	79,521	83,760	163,281	152,934	171,863	324,797
Change in fair value of perpetual trust	-	2,803	2,803	-	4,085	4,085
Total revenue and support	12,100,819	185,726	12,286,545	13,220,376	372,565	13,592,941
Net assets released from restrictions:	414,705	(414,705)	-	388,632	(388,632)	-
Total revenue, support, and reclassifications	12,515,524	(228,979)	12,286,545	13,609,008	(16,067)	13,592,941
Program expenses:						
Food programs	2,675,644	-	2,675,644	2,774,246	-	2,774,246
Resource Center	1,544,564	-	1,544,564	1,649,499	-	1,649,499
Veterans Services	1,892,165	-	1,892,165	2,005,638	-	2,005,638
Maine Hunger Initiative	144,426	-	144,426	194,737	-	194,737
Community Advocacy	133,185	-	133,185	142,064	-	142,064
Teen Center	601,507	-	601,507	667,731	-	667,731
Joe Kreisler Teen Shelter	600,120	-	600,120	654,813	-	654,813
Logan Place	648,740	-	648,740	603,156	-	603,156
Florence House	1,530,358	-	1,530,358	1,473,946	-	1,473,946
First Place	288,350	-	288,350	599,341	-	599,341
Anti-Trafficking	422,196	-	422,196	454,892	-	454,892
Huston Commons	639,899	-	639,899	615,174	-	615,174
Health Services	263,879	-	263,879	218,986	-	218,986
Total program expenses	11,385,033	-	11,385,033	12,054,223	-	12,054,223
Supporting services:						
Administration	1,039,639	-	1,039,639	1,114,812	-	1,114,812
Fundraising	438,964	-	438,964	419,488	-	419,488
Total supporting services	1,478,603	-	1,478,603	1,534,300	-	1,534,300
Total expenses	12,863,636	-	12,863,636	13,588,523	-	13,588,523
Change in net assets	(348,112)	(228,979)	(577,091)	20,485	(16,067)	4,418
Net assets, beginning of year	9,816,261	2,585,036	12,401,297	9,795,776	2,601,103	12,396,879
Net assets, end of year	\$ 9,468,149	2,356,057	11,824,206	9,816,261	2,585,036	12,401,297

See accompanying notes to financial statements.

PREBLE STREET
Statement of Functional Expenses
Year Ended June 30, 2019

Program services																Supporting services				
	Food Programs	Resource Center	Veterans Services	Maine Hunger Initiative	Community Advocacy	Teen Center	Joe Kreisler Teen Shelter	Logan Place	Florence House	First Place	Anti-Trafficking	Huston Commons	Health Services	Total	Administration	Fundraising	Total	Total expenses		
Salaries	\$ 587,003	761,985	858,356	95,745	76,485	316,196	396,940	481,680	912,516	157,066	177,237	475,525	118,913	5,415,647	558,909	294,797	853,706	6,269,353		
Payroll taxes and employee benefits	133,467	179,385	213,349	23,514	18,771	75,419	95,164	113,976	212,066	39,576	45,499	110,329	28,909	1,289,424	188,672	74,302	262,974	1,552,398		
Outside services	1,315	21,749	1,961	137	123	4,743	631	660	3,439	144	292	656	276	36,126	63,226	482	63,708	99,834		
Donated goods	1,609,288	358,306	3,040	-	-	19,158	-	6,383	6,544	-	700	2,663	200	2,006,282	4,138	-	4,138	2,010,420		
Donated services	11,737	30,174	12,103	9,618	12,518	11,717	1,162	6,826	28,214	7,938	115,890	12,356	509	260,762	572	835	1,407	262,169		
Program expenses	63,998	10,368	478,281	120	727	2,950	907	4,203	15,694	43,469	40,149	3,795	19,510	684,171	4,083	993	5,076	689,247		
Subcontracts	-	-	81,740	-	-	32,000	-	-	-	14,523	9,298	-	-	137,561	-	-	-	137,561		
Food	53,483	6,880	10,800	20	100	44,422	-	7,955	104,172	1,480	1,280	7,440	1,900	239,932	-	-	-	239,932		
Occupancy	108,171	95,811	61,502	1,061	1,423	31,208	41,573	1,258	152,669	3,627	5,837	1,242	44,336	549,718	44,091	4,923	49,014	598,732		
Office supplies	890	2,722	3,969	92	87	1,008	224	754	2,420	1,414	650	460	90	14,780	4,290	129	4,419	19,199		
Technology	13,659	15,281	26,065	2,273	1,896	6,974	7,540	7,924	48,003	3,272	4,126	8,818	3,373	149,204	50,564	18,477	69,041	218,245		
Printing	27	654	280	3	21	41	16	39	101	27	252	58	63	1,582	11,457	13,448	24,905	26,487		
Insurance	5,812	5,613	8,390	599	480	2,142	2,821	3,004	6,308	1,195	1,072	2,895	1,432	41,763	1,853	2,177	4,030	45,793		
Professional fees	3,753	3,609	5,391	414	312	1,334	1,783	1,961	4,437	1,301	436	1,892	937	27,560	25,798	1,394	27,192	54,752		
Postage	953	1,774	1,913	98	83	343	461	493	1,007	239	167	467	233	8,231	7,759	4,294	12,053	20,284		
Staff development	6,110	7,473	36,693	1,729	2,981	11,015	4,016	4,872	17,123	7,403	7,822	3,964	4,082	115,283	8,820	2,310	11,130	126,413		
Travel	7,206	801	61,062	982	778	198	301	1,256	2,360	1,307	8,592	1,963	1,410	88,216	1,739	80	1,819	90,035		
Volunteer support	11,476	11	16	4,568	1	4	5	5	10	4	3	5	3	16,111	669	4	673	16,784		
Training/advocacy stipend	-	-	-	-	14,280	9,975	-	-	-	-	-	-	-	24,255	-	-	-	24,255		
Research and evaluation	-	-	-	1,450	-	-	-	-	-	-	-	-	-	1,450	2,025	-	2,025	3,475		
Telephone	696	1,393	1,836	244	174	836	348	1,938	2,135	189	487	1,262	139	11,677	1,880	279	2,159	13,836		
Other	4,408	5,404	11,075	757	960	2,316	4,204	2,997	6,691	2,165	1,866	3,562	969	47,374	11,836	13,620	25,456	72,830		
	2,623,452	1,509,393	1,877,822	143,424	132,200	573,999	558,096	648,184	1,525,909	286,339	421,655	639,352	227,284	11,167,109	992,381	432,544	1,424,925	12,592,034		
Depreciation expense	52,192	35,171	14,343	1,002	985	27,508	42,024	556	4,449	2,011	541	547	36,595	217,924	47,258	6,420	53,678	271,602		
Total expenses	\$ 2,675,644	1,544,564	1,892,165	144,426	133,185	601,507	600,120	648,740	1,530,358	288,350	422,196	639,899	263,879	11,385,033	1,039,639	438,964	1,478,603	12,863,636		

See accompanying notes to financial statements.

PREBLE STREET
Statement of Functional Expenses
Year Ended June 30, 2018

Program services															Supporting services			
	Food Programs	Resource Center	Veterans Services	Maine Hunger Initiative	Community Advocacy	Teen Center	Joe Kreisher Teen Shelter	Logan Place	Florence House	First Place	Anti-Trafficking	Huston Commons	Health Services	Total	Administration	Fundraising	Total	Total expenses
Salaries	\$ 579,506	840,190	913,038	98,867	90,402	372,246	440,544	447,111	907,372	223,662	278,420	453,393	92,257	5,737,008	639,027	285,772	924,799	6,661,807
Payroll taxes and employee benefits	135,429	197,017	228,761	25,128	23,393	92,633	109,153	103,680	214,326	57,143	70,980	110,624	22,552	1,390,819	239,330	73,013	312,343	1,703,162
Outside services	218	18,856	339	23	20	4,747	109	79	1,599	72	72	84	32	26,250	166	35	201	26,451
Donated goods	1,648,637	362,230	2,200	200	-	16,221	-	6,304	5,744	-	800	2,490	328	2,045,154	2,713	-	2,713	2,047,867
Donated services	7,690	23,110	9,824	41,037	23	12,400	108	9,225	34,754	2,898	12,353	11,763	3,027	168,212	19	69	88	168,300
Program expenses	49,968	13,218	435,925	604	854	3,487	734	5,326	9,736	82,121	18,386	4,013	19,445	643,817	2,842	1,998	4,840	648,657
Subcontracts	-	2,716	166,652	31	-	32,000	-	-	24,344	192,262	20,975	-	-	438,980	-	-	-	438,980
Food	132,927	5,220	6,360	300	240	37,833	-	7,000	84,949	2,600	460	6,200	1,060	285,149	-	-	-	285,149
Occupancy	117,858	93,784	54,169	1,251	1,187	30,307	35,752	3,211	114,689	3,188	4,493	2,899	35,885	498,673	35,276	4,213	39,489	538,162
Office supplies	4,516	5,838	9,039	143	151	2,483	4,840	1,105	8,755	586	581	830	418	39,285	10,567	761	11,328	50,613
Technology	11,125	14,292	41,228	1,360	2,678	6,121	5,784	6,444	27,450	10,764	16,589	5,547	2,143	151,525	68,642	13,165	81,807	233,332
Printing	-	647	252	-	-	194	-	-	102	18	150	31	-	1,394	14,578	9,798	24,376	25,770
Insurance	5,606	5,255	9,455	698	604	2,708	3,008	2,474	5,833	2,266	1,765	2,590	871	43,133	1,116	1,248	2,364	45,497
Professional fees	3,181	2,843	5,259	397	325	1,508	1,711	1,357	3,285	1,164	917	1,449	460	23,856	15,858	672	16,530	40,386
Postage	1,030	1,587	2,363	127	113	506	555	462	1,091	414	328	481	161	9,218	472	4,694	5,166	14,384
Staff development	5,265	7,090	23,746	1,833	1,693	6,982	5,809	3,819	15,072	6,891	9,366	4,350	1,432	93,348	16,187	3,832	20,019	113,367
Travel	3,144	2,759	57,814	2,784	3,063	449	272	869	1,936	3,465	9,074	1,764	685	88,078	1,482	81	1,563	89,641
Volunteer support	12,827	44	81	17,667	5	21	23	20	47	21	15	21	46	30,838	1,920	264	2,184	33,022
Training/advocacy stipend	-	-	-	-	13,840	8,457	-	-	-	-	-	-	-	22,297	-	-	-	22,297
Research and evaluation	-	9,163	188	100	525	669	669	208	208	-	1,863	208	2,325	16,126	3,675	-	3,675	19,801
Cell phone	1,139	1,755	12,874	319	1,070	419	365	562	1,496	3,378	4,574	1,564	562	30,077	2,528	353	2,881	32,958
Other	3,764	5,790	10,388	700	736	2,926	3,746	3,134	6,080	3,477	2,205	4,109	569	47,624	9,213	12,874	22,087	69,711
	2,723,830	1,613,404	1,989,955	193,569	140,922	635,317	613,182	602,390	1,468,868	596,390	454,366	614,410	184,258	11,830,861	1,065,611	412,842	1,478,453	13,309,314
Depreciation expense	50,416	36,095	15,683	1,168	1,142	32,414	41,631	766	5,078	2,951	526	764	34,728	223,362	49,201	6,646	55,847	279,209
Total expenses	\$ 2,774,246	1,649,499	2,005,638	194,737	142,064	667,731	654,813	603,156	1,473,946	599,341	454,892	615,174	218,986	12,054,223	1,114,812	419,488	1,534,300	13,588,523

See accompanying notes to financial statements.

PREBLE STREET
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (577,091)	4,418
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	271,602	279,209
Change in unamortized discount	-	(1,517)
Realized and unrealized loss (gain) on investments	16,486	(183,344)
Change in value of beneficial interest in perpetual trust	(2,803)	(4,085)
(Increase) decrease in assets:		
Accounts receivable	3,890	21,850
Pledges receivable	51,571	82,147
Grants receivable	136,486	(33,009)
Prepaid expenses	(53,803)	28,612
Inventory	2,277	34,821
Unemployment trust	(3,018)	(12,352)
Increase (decrease) in liabilities:		
Accounts payable	28,598	40,134
Accrued expenses	(22,579)	42,405
Funds held for others	-	(132,499)
Deferred revenue	-	(4,208)
Net cash (used in) provided by operating activities	(148,384)	162,582
Cash flows from investing activities:		
Proceeds from sale of investments	1,346,961	562,566
Purchases of investments	(1,289,348)	(603,565)
Purchase of property and equipment	(88,872)	(19,019)
Net cash used in investing activities	(31,259)	(60,018)
Cash flows from financing activities:		
Payments on capital lease	(1,084)	(3,188)
Net cash used in financing activities	(1,084)	(3,188)
Net change in cash	(180,727)	99,376
Cash, beginning of year	2,325,654	2,226,278
Cash, end of year	\$ 2,144,927	2,325,654
Supplemental disclosures:		
Cash paid during the year for interest	\$ -	86

See accompanying notes to financial statements.

PREBLE STREET
Notes to Financial Statements
June 30, 2019 and 2018

DESCRIPTION OF PURPOSE

Preble Street (the Organization) is a nonprofit corporation whose mission is to provide accessible, barrier free services to empower people experiencing problems with homelessness, housing, hunger, and poverty, and to advocate for solutions to these problems.

Resource Center

A drop-in center open 365 days a year to meet the basic needs of approximately 400 people a day who are experiencing homelessness and poverty. Social work staff also provide outreach, case management, employment services, and connection to resources for housing, health care, mental health care, addiction treatment, legal assistance, and education to empower people to move beyond the crises in their lives.

Food Programs

The largest direct service emergency food program in northern New England, distributing 600,000 meals a year to individuals, families, youth, and seniors who are living in poverty, through:

Soup Kitchens: Operates 365 days a year at the Resource Center, Teen Center, and Florence House, to serve nutritious meals 3 times a day.

Food Pantry: Provides emergency grocery boxes to 150-190 households each week.

Teen Services

Offering safety and services 24/365 for 40-60 homeless and runaway youth each day, social work staff meet the emergency and long-term needs of young people ages 12-20, through a comprehensive program model, including:

Teen Center: Open 8am-8pm to provide meals, clothing, showers, mail, etc., as well as street outreach, case management, and on-site collaborative services connecting youth to housing, healthcare, mental health care and addiction treatment, educational/vocational services, and legal resources.

Joe Kreisler Teen Shelter: 24-bed overnight emergency shelter across the street from the Teen Center, to provide safety and support services 8pm-8am.

First Place: Supported transition-in-place housing for homeless young people, ages 18-23, providing affordable apartments and supervision and support services to assist homeless youth in establishing stable independent living.

Logan Place

Provides 30 units of safe, affordable, permanent housing and support services to help tenants achieve their goals, including living independently, re-integrating into the community, and reconnecting with families.

Florence House

Comprehensive shelter, permanent living, and 24/365 social work services for homeless women, including:

Permanent Apartments: 25 efficiency apartments with support services to assist tenants in developing skills to maintain stable independent housing, re-integrating into the community, and reconnecting with families.

Safe Haven: 15 semi-private units with support services for the most vulnerable women.

Emergency Shelter: Providing 24/365 safety, basic services, case management support, and housing assistance for 25 homeless women.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

DESCRIPTION OF PURPOSE, CONTINUED

Huston Commons

Provides 24-hour permanent housing and support services for former chronically homeless adults with multiple disabilities and challenges who are developing skills to maintain independent housing in a 30-unit apartment building.

Veterans Housing Services (VHS)

Operating from offices in Portland, Lewiston, and Bangor, VHS provides rapid re-housing and homelessness prevention to ensure residential stability for veterans' households throughout Maine that are homeless or at risk. Using a collaborative and holistic approach, the program supports the housing goals of veterans in urban and rural communities with many entry points and a coordinated continuum of support and housing options.

Anti-Trafficking Coalition

Comprehensive and collaborative service coordination and support for victims of all human trafficking and exploitation—including sex trafficking and labor trafficking—focused on identifying victims, training providers in best practices, and providing outreach, emergency services, case management, and interdisciplinary service planning and intervention.

Clinical Intervention

Case managers and peer navigators work in shelters and on the streets to engage homeless individuals with mental illness or co-occurring substance use disorders, linking them to basic needs, housing, treatment, and community resources, and providing follow up and connection to mainstream resources and assistance as they develop the skills to transition from homelessness to residential stability in public and private housing.

Maine Medical Center-Preble Street Learning Collaborative

Bringing the healthcare expertise of Maine Medical Center together with the social work skills of Preble Street to provide an integrated, inter professional team that identifies and fills gaps in the health services available to disadvantaged and underserved populations in one of Maine's most diverse census tracts, as well as among the poorest and most vulnerable.

Advocacy

Advancing social and economic justice through outreach, education, and engagement in public policy discussions to improve the well-being of people experiencing poverty throughout Maine, including:

Homeless Voices for Justice: Advocating on an individual and systems basis with, and for, people who struggle with homelessness, poverty, and oppression statewide.

Maine Hunger Initiative: Strengthening Maine's emergency food system by promoting best practices and ensuring adequate nutrition for people living in poverty across Maine by leading and informing efforts to create state and national policies and programs to end hunger.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Principle - During the year, the Organization adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Basis of Presentation - The financial statement presentation follows the provisions of FASB ASC 958-605 *Revenue Recognition-Contributions* and FASB ASC 958-205 *Presentation of Financial Statements*. Under these provisions, Preble Street is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, and are available for support of programs or any other purpose deemed appropriate by the Board of Trustees. Board-designated funds are considered to be without donor restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions that are temporary in nature are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from restrictions. These net assets may also include funds that are subject to legal restrictions, such as the unappropriated appreciation of donor-restricted endowment funds. The Organization has elected to report all contributions received with donor-restrictions that are temporary in nature, whose restrictions are met within the same fiscal period, as contributions without donor-restrictions in the statement of activities.

Basis of Accounting - The financial statements are prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Revenue Recognition - All public support and revenue is considered to be available for unrestricted use unless specifically restricted by the donor. At its discretion, the Board of Directors may designate funds for specific purposes. Such Board-designated funds are shown as a segregated portion of net assets without donor restrictions on the statements of financial position.

Cash - For the purposes of the statements of cash flows, Preble Street considers all checking, savings, and repurchase accounts to be cash.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounts and Grants Receivable - Preble Street receives various governmental grants and contracts to provide services statewide with a concentration in southern Maine. All amounts receivable are considered fully collectible, therefore an allowance for doubtful accounts is not considered necessary.

Inventory - Inventory consists of purchased food, beverages, and supplies and is stated at fair value as of the date of donation, using the first-in-first-out method. For purchased goods, inventory is stated at the lower of cost or market.

Property and Equipment - Property and equipment with a value of \$5,000 or more is capitalized at cost if purchased, or fair value at the date of the gift if donated, and is recorded as an addition to unrestricted net assets. Expenditures for minor additions are charged to expense when incurred. Depreciation is being provided using the straight-line method over the estimated useful lives of the related assets (buildings: 35 to 40 years; major improvements: 20 to 35 years; vehicles: 5 years; computers: 3 to 5 years; and other equipment: 5 to 10 years).

Indirect Costs - Preble Street allocates indirect costs to programs in accordance with a cost allocation plan, which is based on several methods that determine each program's use of indirect costs.

Grants and Contributions - Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Income Taxes - Preble Street is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Preble Street's tax-exempt purpose may be subject to taxation as unrelated business income. In addition, Preble Street qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Code.

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by Preble Street and recognize a tax liability if Preble Street has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service or state taxing authorities. Preble Street is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Reclassifications - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. Such reclassifications had no effect on the results of operations as previously reported.

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.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Pronouncements - In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)*. Under ASU 2016-02, at the commencement of a long-term lease (greater than 12 months), the lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. The ASU will be effective for the Organization on July 1, 2020, though early adoption permitted. Application of this standard must be applied using a modified retrospective transition approach for leases existing at the earliest comparative period presented in the financial statements. Recently, the FASB issued a new ASU No. 2019-10, which delays the implementation date of ASU 2016-02 for one year. The revised effective date for nonprofit organizations would be for fiscal years beginning after December 15, 2020. The Organization is currently evaluating the impact of this ASU on the financial statements.

CONCENTRATION OF CREDIT RISK

Cash balances were held in accounts at various financial institutions during the years ended June 30, 2019 and 2018. As of June 30, 2019 and 2018, Preble Street's accounts at each such institution were insured by the Federal Deposit Insurance Corporation (FDIC) at levels set by applicable statute and regulation. In 2018, Preble Street entered into an investment sweep account, whereby certain amounts are swept into an overnight repurchase investment account, and invested in low risk Federated Money Market Funds that are not FDIC insured. Balances of such Federated Money Market Funds amounted to \$629,132 and \$754,415 at June 30, 2019 and 2018, respectively, and are included as uninsured cash at June 30, 2019 and 2018, which amounted to \$1,238,957 and \$1,438,340, respectively.

GRANTS RECEIVABLE

Following is a summary of grants receivable at June 30:

	<u>2019</u>	<u>2018</u>
Appleton Gardens	\$ -	587
City of Portland	51,140	126,216
Maine State Housing Authority	35,045	48,595
Cumberland County	332	9,838
U.S. Department of Justice	80,394	81,339
Southern Maine Area Agency on Aging	7,263	6,657
U.S. Department Housing and Urban Development	85,833	228,069
U.S. Department of Health and Human Services	3,626	47,533
Portland Housing Authority	-	4,598
New England Coalition	10,600	3,525
State of Maine Department of Health and Human Services	270,608	-
State of Maine	-	13,929
Greater Portland Health	-	4,344
U.S. Department of Veterans Affairs	23,738	152,791
Freedom Network USA	689	-
Greater Portland Health	21,007	-
Other	1,260	-
Total grants receivable	\$ 591,535	728,021

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

PLEDGES RECEIVABLE

Total pledges receivable for all campaigns, net of unamortized discount, are summarized as follows at June 30:

	<u>2019</u>	<u>2018</u>
Pledges receivable expected to be collected in:		
Less than one year	\$ 108,810	155,430
One year to five years	-	5,100
Over five years	-	-
	<u>108,810</u>	<u>160,530</u>
Less unamortized discount of 3%		
at June 30, 2018	-	(149)
	<u>108,810</u>	<u>160,381</u>
Less current portion	<u>(108,810)</u>	<u>(155,430)</u>
<u>Non-current portion</u>	<u>\$ -</u>	<u>4,951</u>

Pledges receivable at June 30, 2019 and 2018 are considered to be fully collectible, as such no allowance is deemed necessary. Pledges receivable at June 30, 2019 are all due within one year, and therefore no discount has been applied to amounts due.

CONDITIONAL PROMISES TO GIVE

In June, 2019 the United Way of Greater Portland committed to provide funding to Preble Street for the fiscal year ending June 30, 2020. As this commitment carries certain conditions, the likelihood of non-fulfillment of which has been estimated by Preble Street to be more than remote, the value of this commitment has not been recorded as a receivable nor as support as of June 30, 2019, in accordance with FASB ASC 958-605 *Revenue Recognition-Contributions*. The amount of this conditional promise to give is \$340,000. Should the corresponding conditions be fulfilled, this amount is due to be paid to Preble Street in full during the fiscal year ending June 30, 2020.

In May, 2017 Preble Street was awarded a three year grant from a private foundation in the amount of \$300,000. This grant carried certain conditions prior to the release of additional funds, the likelihood of non-fulfillment of which had been estimated by Preble Street to be more than remote. As such, the grant was not recognized as revenue until the conditions had been satisfied as identified by receipt of payment of each installment. The first installment of \$100,000 was received with the grant award in fiscal 2017. The second \$100,000 installment was received in May 2018. The final installment of \$100,000, was received in May 2019.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

INVESTMENTS

Investments are carried at fair value and consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Mutual funds	\$ 2,137,262	2,711,025
Certificates of deposit	551,265	140,714
Exchange-traded funds	961,089	831,907
Money market funds and cash equivalents	40,450	18,572
Alternative investments	-	53,336
Totals	<u>\$ 3,690,066</u>	<u>3,755,554</u>

BENEFICIAL INTEREST IN PERPETUAL TRUST

Preble Street received a donation in 1997 from a donor who wished to establish an endowment fund for Preble Street to assist low income individuals achieve employment and self-sufficiency. This fund was established through an agreement with the United Way of Greater Portland Foundation. It is known as the Preble Street Resource Center Self Sufficiency Endowment Fund.

The United Way of Greater Portland Foundation manages and oversees the investment of the assets of the fund. The Preble Street Board of Directors has sole discretion as to the use of the distributable income each year, which is equal to 4.5% of the average portfolio value of the fund over the prior three years. If the fund's value exceeds \$100,000, the Preble Street Board of Directors may elect to expend more than the income generated in a specific year, provided the balance of the fund does not fall below the \$100,000 level as a result of the withdrawals. As of June 30, 2019 and 2018, the balances in this account were \$160,825 and \$158,022, respectively.

ENDOWMENT

At June 30, 2019 and 2018, Preble Street had Board-designated endowment funds totaling \$1,593,033 and \$1,603,303, respectively, and donor-restricted endowment funds totaling \$1,936,297 and \$1,864,618, respectively. The purpose of these funds is to generate income to be used to provide annual support to the ongoing operations of Preble Street. Preble Street has adopted the provisions of FASB ASC 958-205-50-1A *Reporting Endowment Funds*. Under these provisions, Preble Street is required to classify and report net assets associated with endowment funds, including those designated by the Board of Directors to function as endowments, based on the existence or absence of donor-imposed restrictions. Preble Street is also required to provide the following disclosures relating to its endowment activities.

Interpretation of Relevant Law - Investments for all net asset classes are stated at fair value. In accordance with the Maine Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Organization has interpreted state law to require investment return on endowment funds with donor-imposed restrictions that are perpetual in nature to be restricted until appropriated by the Board of Directors. Accordingly, except for explicit donor stipulations specifying reinvestment of some or all net investment return, net investment return on endowment funds with donor-imposed restrictions that are perpetual in nature is available for appropriation and is reported as increases (decreases) in net assets with donor restrictions, in accordance with the donor's stipulations, if any, concerning the purposes for which ordinary income may be used.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

ENDOWMENT, CONTINUED

Absent explicit donor stipulations to the contrary, the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) purposes of the Organization and the donor-restricted endowment fund, (3) general economic conditions, (4) possible effects of inflation and deflation, (5) expected total return from income and the appreciation of investments, (6) other resources of the Organization, (7) the Organization's investment policies.

Endowment Spending Policy - The responsibility of setting the spending policy for the Board-designated and donor-restricted endowments shall rest with the Executive Committee of the Board of Directors, subject to the approval of the entire Board of Directors. The amount available to help meet the annual operating needs of Preble Street shall be based upon the following principles:

- No portion of the Board-designated endowment fund will be spent until the value of the pool equals or exceeds \$1,050,000 at the end of the fiscal year.
- Donor-restricted endowment fund agreement mandates that no spending is allowed that would make the value of the investment less than the original corpus amount of \$1,400,000.
- Thereafter, the endowment funds can be spent up to an annual cap calculated at five percent of the average total fund value, as of the end of each of the immediately preceding four fiscal years, net of fees and all other expenses. For purposes of calculating this four-year average, fiscal years before which the net value of the funds was not at \$1,050,000 as of the end of the fiscal year, shall be ignored.
- This is a maximum amount and Preble Street can elect to spend less should it choose to do so. In fiscal years 2019 and 2018, Preble Street utilized 2.81% from its endowment funds, respectively.

Distributions from the Board-designated endowment were \$150,391 and \$93,000, in 2019 and 2018, respectively. There were no distributions made from the donor-restricted endowment fund in 2019 or 2018, respectively.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. During the year ended June 30, 2019 and 2018, the Organization did not have any underwater endowment funds.

Endowment Investment Policy - The primary objective of Preble Street's endowment fund is to provide, over time, an increasing flow of real income (as defined by the spending policy) to help support the annual operating budget of Preble Street. The investment policy is directed toward maximizing such a flow of income, measured in terms of total return balanced against prudent risks, over the long term.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

ENDOWMENT, CONTINUED

The overall investment philosophy will be moderately conservative, allowing for equity investments but with a relatively low level of risk tolerance. Both equity and fixed income investments will be prudently diversified with a blend of equities, bonds, and cash being recommended by the investment committee. All long range investments of the endowment fund will consist of either cash or publicly traded securities.

Preble Street's endowment balances were comprised of the following at June 30, 2019:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Board-designated	\$ 1,593,033	-	1,593,033
Donor-restricted endowments:			
Original donor-restricted gift and amounts required to be maintained in perpetuity	-	1,560,825	1,560,825
Accumulated investment gains	-	375,472	375,472
Totals	\$ 1,593,033	1,936,297	3,529,330

Changes in Preble Street's endowment balances for the year ended June 30, 2019 were as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Endowment net assets, beginning of year	\$ 1,603,303	1,864,618	3,467,921
Contributions	-	-	-
Transfers in	77,422	-	77,422
Investment return, net	62,699	71,679	134,378
Amounts appropriated for expenditure	(150,391)	-	(150,391)
Endowment net assets, end of year	\$ 1,593,033	1,936,297	3,529,330

Preble Street's endowment balances were comprised of the following at June 30, 2018:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Board-designated	\$ 1,603,303	-	1,603,303
Donor-restricted endowments:			
Original donor-restricted gift and amounts required to be maintained in perpetuity	-	1,558,022	1,558,022
Accumulated investment gains	-	306,596	306,596
Totals	\$ 1,603,303	1,864,618	3,467,921

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

ENDOWMENT, CONTINUED

Changes in Preble Street's endowment balances for the year ended June 30, 2018 were as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Endowment net assets, beginning of year	\$ 1,557,197	1,721,430	3,278,627
Contributions	-	-	-
Investment return, net	139,106	143,188	282,294
Amounts appropriated for expenditure	(93,000)	-	(93,000)
Endowment net assets, end of year	\$ 1,603,303	1,864,618	3,467,921

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

In accordance with FASB ASC 820-10 *Fair Value Measurements and Disclosure*, Preble Street is required to disclose, for its assets and liabilities measured at fair value on a recurring basis, the sources and types of information, known as inputs, used to determine those fair value measurements. The guidance provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are as follows:

Level 1: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date.

Level 2: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs for the asset or liability in which little or no market activity is available for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for level 2 assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and 2018.

- *Beneficial Interest in Perpetual Trust:* Valued at the closing price as reported on the active market on which the underlying individual securities of the Trust are traded.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Preble Street management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below segregates all financial assets and liabilities as of June 30, 2019 and 2018 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

Fair value measurements at 06/30/19 using:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Cash and cash equivalents	\$ 40,450	40,450	-
Deferred compensation assets			
Mutual funds	113,338	113,338	-
Certificates of deposit	551,265	551,265	-
Mutual funds	2,137,263	2,137,263	-
Exchange-traded funds	961,089	961,089	-
Beneficial interest in perpetual trust	160,825	-	160,825
Totals	\$ 3,964,230	3,803,405	160,825

Fair value measurements at 06/30/18 using:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Cash and cash equivalents	\$ 18,572	18,572	-
Deferred compensation assets			
Mutual funds	121,950	121,950	-
Certificates of deposit	140,714	140,714	-
Mutual funds	2,711,025	2,711,025	-
Exchange-traded funds	831,907	831,907	-
Beneficial interest in perpetual trust	158,022	-	158,022
 Total assets measured at fair value	 3,982,190	 3,824,168	 158,022
Assets measured at net asset value	53,336	-	-
Totals	\$ 4,035,526	3,824,168	158,022

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

The following includes a summary of fair values and redemption features related to investments for which assets are measured at net asset value as a practical expedient at June 30:

	<u>2019</u>	<u>2018</u>	<u>Redemption frequency</u>	<u>Redemption notice</u>
Alternative investments – SkyBridge	\$ -	53,336	Quarterly	30 days

Transfers between levels of assets are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no transfers into or out of any level of assets or liabilities during the years ended June 30, 2019 and 2018.

LINE OF CREDIT

Preble Street has available a line of credit agreement with a financial institution for a maximum borrowing limit of \$350,000. Interest is payable monthly on all outstanding advances at a rate equal to prime plus 0.5% (equal to 6.00%, and 5.50% at June 30, 2019 and 2018, respectively). At June 30, 2019 and 2018, there were no amounts outstanding on this line of credit.

OBLIGATION UNDER OPERATING LEASE

Preble Street holds a number of non-cancelable operating leases. The leases are for the use of office space and equipment, program space including the safe haven and shelter portions of the building that houses Florence House and apartments for the First Place Program, and the use of certain vehicles. The agreements call for monthly rental payments ranging from \$56 to \$5,926, and can be adjusted annually to reflect changes in the related facility's operating expenses. Terms for these leases range from 1 – 30 years. Future minimum operating lease payments amounted to the following at June 30:

<u>For year ended</u>	<u>Total</u>
2020	\$ 138,751
2021	95,387
2022	83,777
2023	71,112
2024	71,112
Thereafter	<u>1,120,014</u>
Total	<u>\$ 1,580,153</u>

During the years ended June 30, 2019 and 2018, total rent expense incurred by Preble Street related to these agreements amounted to \$107,542 and \$102,932, respectively.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

OBLIGATION UNDER CAPITAL LEASE

During 2014, Preble Street secured the use of certain office equipment under the terms of a capital lease. The cost basis of equipment thus capitalized amounted to \$15,169 at both June 30, 2019 and 2018. Accumulated depreciation amounted to \$15,169 and \$10,099 at June 30, 2019 and 2018, respectively. The lease matured during fiscal 2019, and therefore no amounts are due at June 30, 2019.

CONTINGENCIES

Preble Street participates in various intergovernmental grant programs that may be subject to future program compliance audits by the grantors or their representatives. Accordingly, Preble Street's compliance with applicable grant requirements may be established at some future date. The amount, if any, of liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

PENSION PLAN

Preble Street participates in a tax deferred investment plan under section 403(b) of the Internal Revenue Code. Eligible employees are able to defer salary and participate in the employer match portion of the plan. Total retirement expense under this plan for the years ended June 30, 2019 and 2018 amounted to \$34,709 and \$37,526, respectively.

During fiscal year 2015, Preble Street began participating in a retirement plan under Internal Revenue Service Code Section 457(b) for the benefit of each officer of the Organization. The plan stipulates that annual contributions will be made on behalf of each participant in an amount determined at the sole discretion of the Executive Committee of the Board of Directors. Total expenses incurred under this plan amounted to \$2,500 and \$30,000 for the years ended June 30, 2019 and 2018, respectively. Total plan assets and the corresponding retirement plan liability of \$113,339 and \$121,950 as of June 30, 2019 and 2018, respectively, are presented as an asset and an accrued expense in the statements of financial position.

DONATED SERVICES AND GOODS

During the years ended June 30, 2019 and 2018, certain goods and professional services were donated to Preble Street. The estimated fair values of these goods and professional services totaling \$2,272,590 and \$2,216,167 for 2019 and 2018, respectively, have been reflected in the accompanying financial statements as public support with a like amount included in expenses as donated services and goods, food commodities, and food and program expenses.

The value of nonprofessional, donated services is not reflected in the accompanying financial statements as these services do not meet the criteria outlined in FASB ASC 958-605 *Revenue Recognition-Contributions*. However, Preble Street utilizes in excess of 5,500 nonprofessional volunteers that have donated significant amounts of their time in support of Preble Street's programs. The estimated fair value of the nonprofessional donated services was \$500,176 in 2019 and \$519,215 in 2018.

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

OTHER ECONOMIC CONCENTRATIONS AND RISKS

At June 30, 2019 and 2018 approximately 55% and 54%, respectively, of Preble Street's annual funding, other than in-kind goods and services, is provided through various local, state and federal governmental grants and contracts. Any significant reduction in this funding could affect Preble Street's ability to fulfill its mission.

As detailed previously, Preble Street invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES

Net assets with donor restrictions consisted of the following at June 30:

To be held in perpetuity:

	<u>2019</u>	<u>2018</u>
Beneficial interest in perpetual trust with income restricted for self-sufficiency efforts	\$ 160,825	158,022
Endowment funds held in perpetuity with income restricted for programs	1,400,000	1,400,000
Totals	\$ 1,560,825	1,558,022

Subject to Preble Street's spending policy and appropriation:

Endowment funds with income restricted to programs	\$ 375,472	306,596
Totals	\$ 375,472	306,596

Subject to appropriation and expenditure when a specified event or time occurs:

Maine Hunger Initiative	\$ -	60,000
38 Preble Street Building and Operating Fund	320,596	496,352
First Place Program	-	27,449
Food programs	-	72,917
Community advocacy	53,093	15,000
Resource center	-	40,000
Health Services	-	8,700
Kreisler Shelter	31,061	-
Teen Center	4,726	-
Other	10,284	-
Totals	\$ 419,760	720,418
Total net assets with donor restrictions	\$ 2,356,057	2,585,036

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES, CONTINUED

Included within the 38 Preble Street Building and Operating fund are funds intended to supplement the budget of the Teen Services programs, as needed, in future years.

Board-designated net assets consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Board-designated quasi endowment	\$ 1,593,033	1,603,303
Totals	\$ 1,593,033	1,603,303

The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by the donors were as follows:

Purpose restrictions accomplished:

	<u>2019</u>	<u>2018</u>
38 Preble Street Building and Operating fund	\$ 175,755	75,696
Health services	8,700	147,957
Huston commons	-	57,092
First Place Program	27,449	107,887
Food programs	72,917	-
Community advocacy	15,000	-
Maine Hunger Initiative	60,000	-
Resource Center	40,000	-
Totals	\$ 399,821	388,632

RENTAL INCOME

Preble Street owns and operates two buildings in Portland, Maine that house Preble Street's programs as well as various other social welfare programs provided by other nonprofit and governmental agencies. These agencies are tenants-at-will and pay monthly stipends to help support the costs of occupying the facilities. During the years ended June 30, 2019 and 2018, these stipends totaled \$12,240 in each year.

LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure:

Cash and cash equivalents	\$ 2,144,927
Accounts receivable	39,581
Grants receivable	592,436
Pledges receivable, unrestricted	15,000
Total	\$ 2,791,944

PREBLE STREET
Notes to Financial Statements, Continued
June 30, 2019 and 2018

LIQUIDITY AND AVAILABILITY OF RESOURCES, CONTINUED

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The pledges receivable are subject to implied time restrictions but are expected to be collected within one year.

The Organization's endowment funds consist of donor-restricted endowments and Board-designated quasi-endowment. As described in the "Endowment" footnote, the Organization's Board of Trustees has adopted an endowment spending policy under which, an amount equal to 2.81% of the market value of the fund, based on a rolling three-year average of the fund's calendar year-end market value, shall be available to the Organization each year.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As more fully described in the "Lines of Credit" note, the Organization has one committed line of credit in the amount of \$350,000 which it could draw upon in the event of an unanticipated liquidity need. Additionally, although the Organization does not intend to spend from its quasi-endowment fund other than amounts appropriated for general expenditure as part of its annual distribution, amounts from its quasi-endowment funds could be made available if necessary.

METHOD USED FOR ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Those expenses include salaries, payroll taxes and employee benefits. Each of these expenses are allocated monthly based on FTEs at month-end, and a percentage of time spent across functional categories. Professional fees, office supplies, telephone, postage, staff development, occupancy, printing, travel, and other, are allocated based on direct expenses plus a monthly allocation of overhead costs based on FTEs at month-end.

SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through January 31, 2020, which is the date these financial statements were available to be issued.

On November 11, 2019, Preble Street formed and became the sole member of a limited liability company named "55 Portland Preble Street, LLC" (the Company). Preble Street owns a 100% interest in the Company, and also serves as the manager of the Company. The Company was formed for the purpose of owning and managing real estate and any other business as permitted by Maine law and approved by the sole member (Preble Street).

On December 6, 2019 the Company closed on the purchase of a parcel of land and building located at 55 Portland Street, Portland, Maine, for a purchase price of \$1,854,700. The purchase was funded by borrowing \$580,000 from an available \$1,000,000 revolver loan from Key Bank, the remainder of the purchase price, including commissions and fees was paid for with cash received through a capital campaign that launched in October, 2019. Preble Street intends to use the new building for programming purposes that are yet to be determined.

COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS RESPONSE

II. CDBG-CV APPLICATION

COMPLETE APPLICATION CHECKLIST

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

- ☒ A. CDBG-CV Application Cover Page, *limit 1 page*
- ☒ B. CDBG-CV Application Worksheet, *limit 2 pages*
- ☒ C. CDBG-CV Application Narrative, *limit 5 pages*
- ☒ D. Budget: Revenues and Expenditures, attached separately, *limit 1 page*

Budget worksheet MUST match budget listed on the Cover Page, Summary page, and in the narrative

Required documents for non-profit organizations:

- ☒ Verification of 501(c)3 or 6 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

Signature of the President or Executive Director

Date

Brian Fournier

6/3/20

A. CDBG-CV COVER PAGE, limit 1 page

CDBG-CV COVER PAGE

Service Type	☐ Homeless Prevention ☒ Food Assistance		
CDBG-CV Type	☐ Prevention of the Coronavirus ☐ Preparation for the Coronavirus ☒ Response to the Coronavirus		
Operating Agency	Amistad		
Program Name	Food Assistance for Displaced Portlanders		
Program Area	Greater Portland		
Mailing Address	PO Box 992, Portland, ME 04104		
Address Services are Delivered	66 State St., Portland, ME 04101		
Executive Director /Town Manager	Brian Townsend, ED	Phone 207-272-0429	Email briant@amistadmaine.org
Project Director	Meredith Pesce	Phone 207-450-8492	Email meredithp@amistadmaine.org
Financial Contact	Grace Barstow	Phone 207-952-1220	Email graceb@amistadmaine.org
Person who completed the Application	Brian Townsend	Phone 207-272-0429	Email briant@amistadmaine.org
Amount of CDBG-CV Funds Requested \$120,000.00		Total Program Budget \$192,342.00	
DUNS Number 956801641		Tax Id 01-0500860	
		Estimated number of people who will be served: 750 unduplicated; 26,000 total food-related encounters in 12 months	

B. CDBG-CV WORKSHEET, limit 2 pages

1. HUD National Objective. All CDBG-CV programs must serve Low and Moderate Income Clientele

✓ **Low and Moderate Income Clientele (LMC):** an activity which provides benefits to a specific group of persons of which at least 51% qualifies as LMI Portlanders

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)

2. Beneficiaries.

A. Describe the beneficiaries or clients served by the program.	A. Clients of this program will all be LMI Portlanders, including single adults and families, who are experiencing hunger and food insecurity due to COVID19-related displacement from their homes, loss of income, or loss of access to food.
B. How many will be served by the proposed program? (unduplicated -per year)	B. 750 unduplicated individuals. This number includes children within a family or household served through the program.
C. How many are <i>Portland Resident</i> ?	C. 750
D. How many are <i>low to moderate income residents of Portland</i> ? See income data in the instructions	D. 750
E. What percentage of total clients are low to moderate income residents of the Portland? (To calculate = $D/B * 100$; Must be > 51%)	E. 100%

3. Program Costs and Outcomes. Please list below.

Program Costs (to be reimbursed)	Outcomes/ Community Impact
\$63,000 for 1.5 FTE staff, to support the work of food distribution to area motels, shelters, the streets, and to housed individuals and families who are at risk of homelessness.	Hungry, LMI Portlanders displaced and at high risk due to COVID19 will receive prepared meals and food boxes delivered by trained Peer Support Specialists. The impact will be reduced hunger, improved health conditions, and increased work towards solutions for permanent housing for individuals and families.
\$18,750 to support costs of purchased, boxed food and transportation	Hungry, LMI Portlanders displaced and at high risk due to COVID19 will receive prepared meals and food boxes delivered by trained Peer Support Specialists. The impact will be reduced hunger in the community, as well as improved overall health outcomes.

\$26,250 to support the work of area restaurants, through the Cooking for Community collective, with providing prepared meals to be distributed by the Amistad Food Assistance team	Hungry, LMI Portlanders, including those displaced to motels and to other shelter options where it is challenging to prepare meals, will receive prepared meals, reducing hunger, fostering connectedness to community, and improving overall health outcomes.
---	--

4. Documentation

A. How will the beneficiaries' information be collected and documented?	A. Food Distribution team will enter demographic data via a mobile device into a password protected, web-based form
A. What documentation will be used to prove the funds are going to the prevention, preparation or response to the Coronavirus?	B Demographic data for each client will include a checklist of COVID-related situational criteria for participation in the program
C. How will the units of service be tracked and documented?	C. Food Distribution team will enter demographic data via a mobile device into a password protected, web-based form
D. How will the outcomes be measured, collected, and documented?	D. The Project Director will download the data and reports via administrator access, clean the data, and create summary reports describing beneficiary demographics, service by date and location, and result of the intervention, including a description of the needs of recipients and any progress toward meeting those needs.

C. CDBG-CV APPLICATION NARRATIVE

1. Program Description

Amistad's Food Assistance for Displaced Portlanders is a new program that will represent an efficient, collaborative, and mobile response to the increased instance of hunger and food insecurity that has been one result of the impact of the Coronavirus on vulnerable, lower income Portland residents. Currently, this especially virus-vulnerable population of Portlanders is experiencing diverse varieties of displacement. As of this moment, the City of Portland's Health and Human Services Department estimates that they are supporting a total of 167 adults and children living in area hotels, in an effort to ensure their safety and the safety of all community members by providing quarantine options and by generally decreasing congestion in the City's shelters. Other Portlanders have been displaced from housing and from previous living arrangements and find themselves on the streets and needing to access emergency shelter. Others have returned from longer-term hospital stays or from periods of incarceration to a landscape of impoverished resources and options. Still others have been displaced from shuttered treatment programs, sober houses and other spaces due to measures taken to prevent the further spread of COVID-19.

This program will allow for a small team of paid staff and volunteers to provide daily food assistance to all Portlanders displaced to hotels as described above, and to many other Portlanders who have been impacted and displaced in other ways. Beginning immediately upon receipt of funding, our Food Assistance team will solidify its inventory of displaced individuals and families living in area motels and hotels and proceed with providing them with food—in the form of boxed groceries and prepared meals—at least once daily, seven days a week. The Food Assistance team will operate within a Memorandum of Agreement with Cooking for Community, to receive at least 200 prepared meals on a weekly basis to complement this effort. Amistad will work with the City of Portland and area foundations to secure additional resource to increase the number of daily meals that can be distributed in this manner. Amistad will utilize funding to purchase food from Good Shepherd Food Bank and from other value-based cost options. Additionally, our Food Assistance team will partner with Amistad/Portland Downtown's Peer Outreach Worker program and with other area stakeholders to discern additional individuals and families needing mobile food support and will strive to meet much of that need as well.

The displaced populations described include many individuals who have experienced chronic homelessness, and this moment in time provides our community with a unique opportunity to support these individuals with removing obstacles to securing safe, permanent housing. The paid staff of the Food Assistance program will be Peer Support Specialists trained as Community Navigators. In addition to providing needed food to adults and children, these Food Assistance Navigators will provide assistance towards securing housing, including help securing vouchers, surmounting barriers to housing, securing needed income, completing rental applications, and providing support to cover certain costs associated with the process of seeking housing. In this way, the Food Assistance program and the City of Portland will be working together—not to simply

ensure that previously sheltered guests are fed while displaced, but to interrupt the patterns of recurrent homelessness and reduce the actual number of people needing emergency shelter in Portland.

2. Need for the Program and CDBG-CV Funds as it relates to the Coronavirus

Vulnerable, low income Portlanders are experiencing staggering challenges related to hunger and food insecurity as an outcome of the impact of the Coronavirus on public health and the functioning and flow of community systems and resources. Adults and families have not only been displaced to and from local emergency shelters but are also impacted by shuttered or reduced-resource soup kitchen and food pantry operations. Those with modest incomes and SNAP benefits face considerable hardships in safely or even logistically accessing grocery stores. The net result of this resource disruption and human displacement is a stark increase in the number of adults and children experiencing significant food insecurity, at a time when optimal health and nutrition is one of the best defenses we have against the scourge of this pandemic.

The quantity of individuals impacted in this manner, and the resultant spread of hunger-related needs outside of previously “sectored” areas of response, suggests a need for an innovative, resourced, collaborative and mobile response. The City’s HHS team had issued 177 week-long hotel stays to individuals in the month of May as of May 27th. One day in May there were 39 individuals staying at just one area motel through this arrangement. At this writing there are 16 families totaling 47 individuals who are living in hotels after transfer from the City’s Family Shelter. Many others have been displaced from other area shelters and programs due to contamination or to protocols taken to reduce contamination risks.

It is necessary at this time for our community to find our displaced and hungry neighbors and bring the food they need directly to them. The majority of the individuals this program will serve are impacted not only by homelessness and displacement, but also by under-treated, chronic health conditions, and challenges related to mental illness and substance use disorders. This indicates that the majority are those deemed to be in the highest risk category for fatality if exposed to the Coronavirus and suggests a great responsibility to our community to help support them through this situation.

The need for innovative food assistance for this population has been thoroughly documented locally and nationally over the past two months. This article further explores that need from a local lens, and describes the work that Amistad and Cooking for Community are already doing to meet that need:

<https://www.csmonitor.com/World/Making-a-difference/2020/0529/A-new-stone-soup-Idle-restaurants-fire-up-to-feed-the-hungry>

3. Project Management

Amistad will manage and operate this project. The Project Director will hire or transfer and supervise the program staff (Food Assistance Navigators) and support the recruitment and management of affiliated volunteers. The Project Director will establish regular communication with partners who provide corollary services with the same population, and with point persons from the City’s Health and Human Services team.

Management of the project will also include assessing the trajectory of the Coronavirus and its impact on the Portland community, and making any needed changes related to the project's food delivery model that supports the current needs. For example, if the large number of previously homeless individuals currently staying in hotels is broadly impacted by a decision by the hotel industry to stop accommodating those supports, the Food Assistance program would re-shape its focus to continue to serve the same individuals at their new location (shelter, street, temporary housing, etc.) if their need for food support persists.

The Project Manager will also support the project by training Food Assistance Navigators in the utilization of the already-developed Food Assistance Data tool, a web-based, password-protected tool for mobile devices. The tool allows the Navigators to assess criteria for participation, based solely on the person or family's need for food support that is related to the impact of the Coronavirus. The tool then allows for the tracking of food provided to each individual, including the delivery of prepared meals delivered from our Cooking for Community partners, in addition to tracking the required demographic data and interventions provided for linking to housing, treatment, and other resources.

Amistad has experience managing the Peer Outreach Worker (POW) program, a program with high relevance to the proposed project. POW also receives CDBG funds, and the POW team delivers outreach services on the street level, while partnering with multiple stakeholders in the interest of supporting highly vulnerable individuals in the community. POW has been a highly successful program from the outset, and since the beginning of April it has been the only CDBG-funded outreach program maintaining its outreach efforts, with safety modifications built in. During these last two months POW shifted its focus from more global outreach to specifically working to provide food and essential needs to vulnerable Portlanders—becoming a perfect beta test for the project we are now proposing.

The project does not require staff or the project director to have any specific licensing or accreditation, but all staff will be Amistad employees, and will be trained Peer Support Specialists. Amistad's unique success in engaging with and successfully supporting highly vulnerable individuals with challenging characteristics stems in large part from our method of hiring people who have transcended similar life experiences, and who therefore offer a model and an inspiration along with the services rendered.

4. Readiness to proceed

Because Amistad's Peer Outreach Worker program has been performing a limited version of the proposed project for the past two months, we will be ready to launch the project fully on day one. This experience of the past two months included seven weeks of engaging with Cooking for Community to deliver 200 meals each week, in addition to purchasing and delivering over 200 food boxes weekly. Our ability to do so was based around our awareness of the need, joined with the availability of temporary emergency funding from local foundations and with our temporary ability to flex the role of our Peer Outreach Worker and Peer Support and Recovery Center program staff to aid in the work.

Amistad has already generated the support and participation of Cooking for Community and has earned the support of local foundations and individual donors who recognize the need and value of this work at this time.

The Project Manager and the lead Food Assistance Navigator are current Amistad employees who have been actively involved in POW's community food distribution work over the past two months, and who will step into those roles within the Food Assistance program if funding is secured. Additional staff and volunteers will be readily engaged from among those individuals, including Amistad staff and volunteers, who have been participating with the effort to date.

Developers Collaborative has graciously offered to provide in-kind support to the project through the rent-free use of the commercial kitchen and auxiliary space within the building they own at 66 State St. Amistad owns one large van that is central to a food delivery operation, while program staff will also use their own vehicles to support the project. Our start date for the project can be as early as indicated by the process, and unless otherwise directed we would presume to operate the program and deliver the service for 12 months.

The following article suggests the extent to which our food distribution efforts are already up and running and battle-tested, our partnerships won, and our community engagement initiated and positive:

<https://www.pressherald.com/2020/05/17/maine-acts-of-kindness-effort-provides-thousands-of-free-meals-for-the-needy/#>

5. Budget for the Project

Total amount requested from CDBG-CV: \$120,000

Administration: \$12,000 for general and administrative expenses for Amistad.

Employee Salaries: \$50,000 for 1.5 FTE staff, hired, trained, and supervised by Amistad.

Employee Fringe Benefits: \$13,000 is full benefits for one full-time employee, and taxes for one full- and one part-time employee.

Food: \$15,750 for food to be purchased by Amistad to directly support the distribution of boxed food through this program. Amistad will secure an additional \$20,942 from the community to create a total food budget of \$36,692. The resulting \$3057/month gets us to our estimate of the food boxes needed to supplement the prepared meals distribution in order to adequately support the current number of adults and families displaced to area hotels. Food boxes range in cost (per individual, per family, and based upon source and contents).

Transportation: Cost includes gas and basic maintenance (not repairs) of agency-owned vehicle, as well as gas reimbursements for staff use of their own vehicles.

Pass-Through: \$26,250 to Cooking for Community. \$25,000 to the cooperating restaurants for directly supplying prepared meals to the community through the operations of the Food Assistance to Displaced Portlanders program. \$1250 is to support the administrative costs for Cooking for Community.

Office Space: Use of kitchen and auxiliary space at 66 State St. provided by Developers Collaborative. In-kind value is \$40,000.00 (\$3,333.00/month as rent and utility payments donated to this effort).

6. Partnerships, Collaboration, and Outreach

Amistad has been working closely with the City of Portland and with partner organizations since the onset of the Coronavirus, to maximize resources and to arrive at a cohesive community response that avoids service duplication. This collaborative reflex stems from the intentional positioning of our Peer Outreach Worker program as an entity that strives to bring together all Portland residents and entities toward the creation of a safer, healthier and more equitable city.

For the Food Assistance program planning, Amistad has been strengthening and broadening its existing relationships with other agencies who provide outreach supports in the community, including the PATH program from The Opportunity Alliance and Milestone Foundation. Amistad has also connected with the Portland Police Department and the Cumberland County Jail, as our work in supporting vulnerable and hungry individuals on the streets intersects with the challenging efforts by our law enforcement system to simultaneously decrease congestion in the jail by reducing arrests, while also maintaining a safe environment for all Portland residents.

Our strongest and most essential partnerships for this program are those we have forged with the network of agencies and individuals who are concerned with the issue of hunger amongst those most impacted by the Coronavirus. Our attached agreement with Cooking for Community is a formalized partnership that supports the evolution of our work together, to more completely address the needs of the population that has been displaced to area motels. We have also forged full relationships with Good Shepherd Food Bank and Wayside Food Programs, while retaining our affiliation with the Cumberland County Food Security Council.

Our focal area for this effort will be the motels and hotels utilized by the City of Portland to support a safer sheltering system. We have already initiated contact with the relevant hotels and will establish a daily communication strategy with the hotels and with the point persons from Portland's HHS department, to ensure that we are meeting the needs of all in this group. Our efforts to serve other hungry individuals and families will be supported by our strong working partnership with the City's Family Shelter, by our rigorous outreach work, and by our strong network of relationships with the population we are aiming to support.

D. CDBG-CV BUDGET FORM , limit 1 page

Complete one program budget spreadsheet for each program application.

Feel free to edit categories under Revenues or Expenditures as relevant to your program or project.

PROGRAM OR PROJECT NAME:

Food Assistance for Displaced Portlanders

OPERATING AGENCY:

Amistad

REVENUES	Please indicate: Secured or Projected	Revenues TOTAL
CDBG-CV Request	120000	120000
Other HUD Funds (please list)		0
a.		0
Other Federal Funds (please list)		0
a.		0
b.		0
State/ County Funds (please list)		0
a.		0
b.		0
City Funds		0
Private Funds (Grants, Fundraising, etc, please list)		0
a. United Way - Projected	25000	25000
b. United Way Emergency Food & Shelter - Secured	7342	7342
In Kind Services - Use of Commercial Kitchen/Office at 66 State St. - Secured	40000	40000
TOTAL PROGRAM or PROJECT REVENUE	192342	192342

EXPENDITURES	Expenditures CDBG	Expenditures All Other Sources	Expenditures TOTAL
Administration	12000	2500	14500
Employee Salaries	50000		50000
Employee Fringe Benefits	13000		13000
Professional Services/ Consultant			0
Equipment		2400	2400
Materials/Supplies		2000	2000
Office Space (Program only) Donated in Kind		40000	40000
Insurance		1000	1000
Other, please specify			0
a. Food	15750	20942	36692
b. Transportation	3000	1000	4000
c. Pass-Through to Cooking for Community for Food	26250		26250
d. Maintenance		2500	2500
e.			0
TOTAL PROGRAM or PROJECT EXPENSES	120000	72342	192342

**MEMORANDUM OF AGREEMENT
BETWEEN
AMISTAD
AND
COOKING FOR COMMUNITY**

WHEREAS, COOKING FOR COMMUNITY is a Maine non-profit corporation created in April 2020 in direct response to hunger and food chain issues created by COVID-19. Its vision is to create a movement that injects essential nourishment, resources and hope back into thousands of people's lives;

WHEREAS, COOKING FOR COMMUNITY is achieving its vision by raising money to pay local restaurants to cook easy to reheat, packaged meals, using primarily locally sourced ingredients, to be distributed to people in need of nourishment. The money raised to pay restaurants enables restaurants to pay their employees and purchase ingredients from local producers. People in need receive a free, nutritious ready-to-eat meal, cooked with love.

WHEREAS, COOKING FOR COMMUNITY, has been successful in executing this model and, since April 2020, has partnered with local restaurants to produce over 2000 meals a week and partnered with multiple social service agencies, including AMISTAD, to distribute the free ready-to-eat meals to vulnerable populations in the greater Portland area. Specifically, Cooking for Community has been providing AMISTAD with 200 meals a week for seven weeks to provide to its homeless constituency. Funding provided by this grant, combined with other funding sources, will enable this beneficial partnership to continue at its current level.

WHEREAS, AMISTAD is committed to providing food assistance to displaced, homeless and vulnerable Portlanders for the period of time that the city remains impacted by the Coronavirus, as an imperative demonstration of its mission to support those who struggle with significant life challenges.

WHEREAS, AMISTAD and COOKING FOR COMMUNITY agree to partner to continue to feed vulnerable populations with a focus on the homeless and others without access to cooking facilities.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Amistad will pay to Cooking for Community the sum of \$25,000 from the CDBG grant. Cooking for Community will use this money to pay local restaurant partners to create at least 200 nutritious ready-to-eat meals a week for distribution by AMISTAD. This money will help produce approximately 10,000 meals over the course of the project. CDBG funding will cover 25% of the total cost of the meals, which includes restaurant fees, food and labor fees and totals \$100,000.

2. Cooking for Community is responsible for identifying and working with partner restaurants to produce the meals. Partner restaurants are required to meet all applicable federal and local health and safety regulations, including any special regulations related to COVID-19.
3. Amistad will distribute the meals to people in the Portland area with priority to those living in motels or in other circumstances where they do not have access to kitchen or cooking facilities. Amistad will have sole responsibility to decide who will receive meals. Amistad will be responsible for meal distribution logistics.
4. Cooking for Community will decide in its discretion which restaurant(s) will produce meals for Amistad each week. In the event that it is unable to meet the 200 meal request in a particular week, it will notify Amistad in advance.
5. In the event that Amistad is unable to distribute meals because it is required to cease operations because of Co-Vid 19 concerns, it will notify Cooking for Community immediately. This agreement will be suspended for the duration of time that Amistad is unable to distribute meals and will resume once Amistad has met state and local standards for resuming meal distribution.
6. The parties will agree on an accounting procedure for disbursement of funds and tracking of meal production and distribution.

For AMISTAD

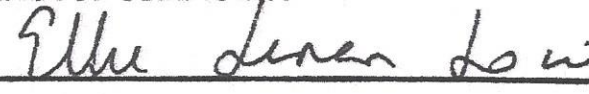


Signature

Name: Brian Townsend

Date: 6/3/20

For COOKING FOR COMMUNITY



Signature

Name: Ellie Linen Low

Date: 6.3.20

June 2, 2020

City of Portland
Department of Planning and Urban Development
Office of Housing and Community Development (HCD)
Attn: Kelley Walsh, HCD Program Manager



RE: Food Assistance for Displaced Portlanders Program

Dear Kelley:

The Food Assistance for Displaced Portlanders (FADP) Program proposed by Amistad is a program that will serve as a critical partner in outreach work through the COVID era. I encourage you to financially support this program that will alleviate hunger and build relationships, and has the potential to save lives during the pandemic and beyond.

Portland Downtown is a lead partner on the Peer Outreach Worker (POW) Program, and we are grateful that this work is continuing and able to provide outreach to the City's most vulnerable people. There is mutual support and overlap between the POW Program and the FADP Program. Current POW Program outreach workers have been delivering meals to displaced Portlanders who have been spending more and more time unsheltered due to gathering restrictions and local closures. These closures include resources that people experiencing homelessness and suffering from mental health and substance use disorders rely on, but have been abruptly cut off. Serving meals to those in need has been an opportunity for outreach workers to engage and build meaningful relationships; relationship-building is at the core of all that Amistad's peer support programs do.

It has been empowering to know Amistad's peer support professionals as people who know how to respond to need exhibited on the streets downtown. Not only does the downtown community have a resource in the POW Program when encountering need on the streets downtown, we are learning more about the level of need in the community through a data-collection process that we developed and use with the POW program. The FADP Program will be a natural fit for adding to the data collection effort, and will ultimately assist our social service program partners in solving some of our community's most troubling challenges – and this will begin with the gesture of a warm meal.

Thank you for your consideration.

Amy Geren

Program Director, Portland Downtown



Kristen Dow
Director
Health & Human Services Department

June 2, 2020

City of Portland
Department of Planning and Urban Development
Housing and Community Development Division
Attn: Kelley Walsh

Ms. Walsh:

I am writing to express my support for Amistad's application to the CDBG Coronavirus Response process, which they are seeking to help fund their Food Assistance for Displaced Portlanders program. Amistad has been demonstrating their commitment to Portland's most vulnerable adults and families during the past weeks, as they mobilized their existing staff and resources to support the distribution of food and essential supplies to people living in shelters, on the streets, and those at risk of losing their housing. Because of their specialization in supporting people who struggle with mental illness and substance use disorders, Amistad has been able to use their food distribution efforts to offer much needed support to individuals in the form of assistance with housing and benefit applications, connections to treatment and health care, and offering emotional support.

Portland's Health and Human Services Department has taken proactive steps to ensure the safety of all Portlanders during this time. This included the opening of an additional space on the peninsula to serve as an emergency shelter, which allowed for increased social distancing for individuals needing shelter during this challenging time. The HHS Department has also vigorously supported Portland's most vulnerable adults and families, and further reduced congestion at City shelters, by providing long-term hotel accommodations for hundreds of adults and children since the beginning of April.

From the outset, Amistad has flexed its limited resources to ensure that the individuals and families who have been displaced from housing and from temporary shelters have been provided with enough food to meet their basic needs. This included connecting with Cooking for

Community to provide prepared meals to those in motel rooms who did not have the means to cook meals from the food boxes Amistad was working diligently to deliver.

Awarding Amistad it's funding request, inclusive of the support to their critical partner Cooking for Community, will be the best way to ensure that the intention of this funding—to successfully and efficiently address Coronavirus-driven food insecurity issues among vulnerable, lower-income Portlanders—is fully lived up to. Amistad has already been ably doing this work but has lacked the funding to support an operation that meets the high volume of need in our community at this moment in time.

Our teams at HHS work very closely with our Amistad partners, and we recognize that they are able to deliver services and supports in a tremendously resourceful and effective manner. What is more, we witness Amistad's work as never being solely about providing food, but also, always, about working closely with individuals and families to help them secure safe, permanent housing.

Portland's HHS staff are eager to support Amistad's work on this project through sharing information, supporting communication and logistical solutions, and offering whatever collaborative efforts are needed to help ensure that Portland's most vulnerable members do not suffer needlessly from hunger as they navigate this uniquely difficult experience of displacement and distress that defines their experience during this time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kristen Dow', with a long horizontal flourish extending to the right.

Kristen Dow
Director HHS Department
City of Portland, ME

received
11/29/99

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: NOV 22 1999

Employer Identification Number:
01-0500860

DLN:
17053275816029

Contact Person:
GREGG A TAYLOR

ID# 31366

Contact Telephone Number:
(877) 829-5500

Our Letter Dated:
October 1996

Addendum Applies:
No

AMISTAD
C/O DAVID S ROBERTIELLO
PO BOX 992
PORTLAND, ME 04104-0992

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

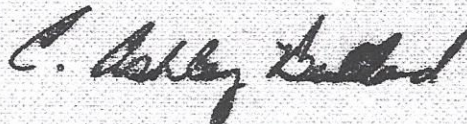
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



District Director

Letter 1050 (DO/CG)

Board of Directors

Executive Director
Brian Townsend

**Director of Finance &
Operations**
Grace Barstow
HR Manager
TBD

Associate Executive Director
Meredith Pesce

Portland Area Programs
David Ochsenbein

**Portland Peer Center
POW Program**
John Kennedy

Rapid Access Program
Ashish Shrestha
Lester Gilkey

ED Program
Scott Champney

Mid-Coast Region Programs
Keith Arvanitis

Recovery Residences Program
Debbie Brunner

Riverview Psychiatric Ctr
Julia Stone

**Consumer Network
(PSSN)**
Alicia Hafford

FY20 Budget	Full Yr Bdgt
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Income

DHHS Grant Income	1,345,974
Other Grant Income	358,495
Donations	58,000
CDBG Grant POW	51,294

Total Income	1,813,763
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Expense

Salaries / Wages	1,157,508
Total Benefits & Taxes	299,718
Total Salary & Related	1,457,226
Occupancy - Rent	103,469
Consultants	54,000
Travel	30,269
Materials / Supplies	29,349
Food	24,580
Agency Insurance	24,000
Utilities/Phone/Internet/TV	21,304
Training	14,772
Maint / Minor Repairs	14,080
Tech Svcs/Software	9,465
Equipment Purchases	14,334
Moving	4,000
Miscellaneous	4,664
Activity	0

Total Expense	1,805,512
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Net Income	8,251
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Recovery Residence Rent In	60,000
Rent Out	60,000

Net	0
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February 20, 2020

**To the Board of Directors
Amistad, Inc.
Portland, Maine**

In planning and performing our audit of the financial statements of Amistad, Inc. as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance. We consider the following deficiency in Amistad's internal control to be a significant deficiency:

Segregation of Duties

Condition: The size of Amistad, Inc.'s financial staff precludes certain internal controls that would be preferred if the staff were large enough to provide an optimum segregation of duties.

Reason improvement is needed: Controls are most effective when two different individuals are assigned the responsibility of authorizing transactions, recording transactions, and maintaining the custody of assets. Currently, one person performs two or more of these functions in the normal course of performing their duties.

Recommendation: We recommend the Board and Management remain actively involved in the financial affairs of the Organization to provide oversight and independent review functions. A segregation of duties concern will exist as long as the size of the Organization's financial staff and the assignment of duties remains the same.

* * * * *

This communication is intended solely for the information and use of the Board and Management and is not intended to be, and should not be, used by anyone other than these specified parties.

Purdy Powers & Company
Professional Association

Amistad Board of Directors

2020

First	Last	Work	Board Role	Board Since	Town of Residence
Helen	Bailey	Retired Attorney	Member	11/1/17	Hallowell
Perry	Cahill	Data Analyst TD Bank	Member & Development Committee Chair	12/1/17	Portland
Ben	Chipman	Senator, District 27, Maine State Legislature	Member	1/1/18	Portland
Julie	Denehy	AVP, Data Steward, TD Bank	Chair	7/1/15	Westbrook
Patty	Field	Peer Support Specialist	Member	4/1/16	Portland
Amanda	Loubier	Team Manager, TD Bank	Vice President	12/1/17	Portland
Norm	Maze	Deputy Director / Shalom House	Treasurer & Finance Committee Chair	4/1/19	Portland
Susan	Sanders	Amistad Peer	Member	4/1/16	Portland
John	Staples	Amistad Peer	Member	4/1/16	Portland
Russell	Thayer	Director of Risk Management & Compliance, ME Behavioral Health	Member & Governance Committee Chair	8/1/15	Scarborough

City of Portland, Maine Community Development Block Grant-CV Program



Homeless Prevention Non-Profit Assistance Applications



**Housing and Community Development Program
Division of Housing and Community Development
Planning and Urban Development Department**

CDBG-CV Homeless Prevention Non-Profit Assistance

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1. Through These Doors – Emergency Shelter for Victims of Domestic Violence \$27,500
2. Milestone – Emergency Shelter \$20,000

COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS RESPONSE

II. CDBG-CV APPLICATION

COMPLETE APPLICATION CHECKLIST

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

- ☒ A. CDBG-CV Application Cover Page, *limit 1 page*
- ☒ B. CDBG-CV Application Worksheet, *limit 2 pages*
- ☒ C. CDBG-CV Application Narrative, *limit 5 pages*
- ☒ D. Budget: Revenues and Expenditures, attached separately, *limit 1 page*

Budget worksheet MUST match budget listed on the Cover Page, Summary page, and in the narrative

Required documents for non-profit organizations:

- ☒ Verification of 501(c)3 or 6 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



Signature of the President or Executive Director

6/2/2020

Date

A. CDBG-CV COVER PAGE, limit 1 page

CDBG-CV COVER PAGE

Service Type	☒ Homeless Prevention ☒ Food Assistance		
CDBG-CV Type	☒ Prevention of the Coronavirus ☒ Preparation for the Coronavirus ☒ Response to the Coronavirus		
Operating Agency	Through These Doors		
Program Name	Through These Doors Emergency Shelter for Victims of Domestic Violence		
Program Area	Emergency Shelter		
Mailing Address	P.O. Box 704 Portland, ME 04104		
Address Services are Delivered	Confidential address		
Executive Director /Town Manager	Rebecca Hobbs	Phone 207-356-1879	Email rebeccah@throughthesedoors.org
Project Director	Jenny Stasio	Phone 207-712-8274	Email jennys@throughthesedoors.org
Financial Contact	Yvette Dunnigan	Phone 207-767-4952	Email yvetted@throughthesedoors.org
Person who completed the Application	Jenny Stasio	Phone 207-712-8274	Email jennys@throughthesedoors.org
Amount of CDBG-CV Funds Requested \$27,500.00		Total Program Budget \$ 438,677	
DUNS Number: 88-475-5166		Tax Id : 01-0352636	
		Estimated number of people who will be served: <u>75</u>	

B. CDBG-CV WORKSHEET, limit 2 pages

1. HUD National Objective. All CDBG-CV programs must serve Low and Moderate Income Clientele

- ☒ **Low and Moderate Income Clientele (LMC):** an activity which provides benefits to a specific group of persons of which at least 51% qualifies as LMI Portlanders
- 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)

2. Beneficiaries.

A. Describe the beneficiaries or clients served by the program.	A. Victims/survivors of domestic violence experiencing homelessness who are accessing sheltering services in Portland.
B. How many will be served by the proposed program? (unduplicated -per year)	B. 75 individuals from July 2020-June 2021
C. How many are <i>Portland Resident</i> ?	C. 75
D. How many are <i>low to moderate income residents of Portland</i> ? See income data in the instructions	D. Presumed low to moderate income=75
E. What percentage of total clients are low to moderate income residents of the Portland? (To calculate = $D/B * 100$; Must be > 51%)	E. 100% of individuals served will are low to moderate income or presumed to be due to the battered spouses and homeless person's presumption.

3. Program Costs and Outcomes. Please list below.

Program Costs (to be reimbursed)	Outcomes/ Community Impact
Food assistance for victims of domestic violence receiving sheltering services in Portland.	Victims of domestic violence experiencing homelessness will receive food assistance while residing in TTD's shelter program to alleviate food insecurity and allow adequate access to food for themselves and their families.
Homeless Prevention Programs: shelter cleaning	TTD's physical shelter will be cleaned bi-weekly to prevent COVID-19.
Homeless Prevention Programs: reconfiguring spaces	TTD will reconfigure space at our shelter facility to allow employees and residents to space to provide and receive critical safety planning and advocacy services while preventing/minimizing health risks associated with COVID-19.

4. Documentation

A. How will the beneficiaries' information be collected and documented?	A. TTD utilizes EmpowerDB to collect demographic and service information for service recipients. TTD staff will collect and record data in to EmpowerDB on a regular basis.
A. What documentation will be used to prove the funds are going to the prevention, preparation or response to the Coronavirus?	B. TTD will collect documentation for all expenses associated with this grant to demonstrate that funds were spend in accordance with the grant requirements and expectations.
C. How will the units of service be tracked and documented?	C. TTD tracks all resources provided to individuals served in EmpowerDB. For supplies, cleaning, food assistance and funds for reconfiguring spaces, TTD will document all purchases and expenses by collecting receipts for purchases indicating what the purchases achieve.
D. How will the outcomes be measured, collected, and documented?	D. EmpowerDB will collect the number of individuals who receive sheltering services from TTD from July 2020-June 2021. TTD will track food expenses as well as expenses related to supplies to enhance social distancing.

Please limit the CDBG-CV Worksheet to 2 (two) Pages.

C. CDBG-CV Application Narrative

1. Through These Doors (TTD) is seeking financial support to prevent, prepare and respond to the COVID-19 pandemic. Funding is sought for homeless prevention services and food assistance for victims and survivors of domestic abuse, dating violence, stalking and human trafficking residing in a sheltering location provided by TTD in Portland (either our 16-bed facility or local hotel). TTD is seeking immediate funds to support costs related to COVID-19 to support and expand TTD's sheltering services during the pandemic.

Founded in 1977, Through These Doors (TTD) is the domestic violence resource center serving victims and survivors of domestic abuse, dating violence, and stalking in Cumberland County, Maine. We provide safe and accessible services to all people affected by domestic violence regardless of race, ethnicity, disability, sexual orientation, gender, age, primary language spoken, or immigration status. TTD operates a 16-bed emergency shelter located in the West End of Portland and is currently utilizing a hotel in Portland to provide shelter to an additional 10 families in response to the COVID-19 pandemic.

TTD is seeking support to continue providing expansive sheltering services to victims and survivors of domestic violence during the pandemic. TTD's request is two-fold. First, TTD is requesting funds for food assistance. In response to the State of Maine and the City of Portland's stay at home orders, TTD increased the amount of food purchased by the organization to limit trips in to the community by shelter residents. Our grocery bills for the shelter have increased significantly. Additionally, TTD is providing food assistance for all of the families receiving shelter in the hotel. The costs associated with this are significant and unexpected.

Second, TTD is requesting funds to prevent a COVID outbreak in our shelter. Funds will be utilized to engage a professional cleaning company to clean bi-weekly at our shelter facility as a means of prevention and for supplies and work to reconfigure spaces in the shelter to support physical distancing for employees and residents. Supplies include outdoor furniture for meetings with shelter residents that allow 6-feet distance between employee and resident and the creation of a half door inside our shelter building to impose the 6-feet recommended distance between residents/children and employees.

2. Since the pandemic, TTD has seen an increase in sheltering needs. TTD has worked to meet each need recognizing the critical risks involved with remaining in an abusive home at this time. To continue to provide shelter to those who reach out, we are in need of financial resources to provide food assistance to those coming in to our shelter. TTD is sheltering more individuals than we typically are able to due to increasing our capacity and expanding our sheltering services to include hotel lodging in Portland.

To continue to bring survivors of domestic violence experiencing homelessness in to our physical shelter facility, cleaning, supplies and structural changes are necessary to enable physical distancing. The room that we currently use to meet with residents does not allow for adequate distancing and we are creatively problem solving this dilemma by creating office spaces in other areas of our shelter and on our outside property creating the need for additional furniture, work and supplies. TTD is committed to the safety and health of our employees and

those we provide sheltering services to. These structural changes are necessary in order for us to feel confident in our ability to do our crucial advocacy work while creating a safe workplace and sheltering options.

3. The project will be managed by the Director of Operations at TTD with oversight and support from the Executive Director. The Director of Operations, Jenny Stasio, has overseen TTD's sheltering services since 2010. The Director of Operations will act as the project manager and will oversee the food assistance funding to ensure compliance with CDBG-CV requirements. Additionally, the Director of Operations will work closely with shelter staff and community vendors to purchase supplies, cleaning services and reconfigure spaces to allow for physical distancing, a safe work environment and safe sheltering spaces.

4. The project is ready to begin as soon as funding is allocated. TTD began expanding our sheltering services when the severity of the COVID pandemic became clear in mid-March. Funding from the CDBG-CV Grant will allow TTD to continue to provide expansive services within our shelter facility and in the local hotel we are engaging. TTD has developed plans to reconfigure spaces and has a list of supplies and services required to do so. Once funding is secure, this work will begin immediately.

5. The expenses for this program are comprised of three categories outlined below.

1. Food assistance for victims of domestic violence receiving shelter services in

Portland: TTD is requesting \$19,800 in food assistance. Food assistance will be provided in two forms. Of the total amount requested, \$7,800 will be allocated to purchasing food for survivors of domestic violence residing in our residential shelter in Portland over the next year. The remaining \$12,000 will be utilized to provide food, both in the form of gift cards and food purchases to survivors of domestic violence sheltering in a Portland hotel for the next 12-weeks. The amount of money is greater in this category as individuals residing in the hotel do not have a full kitchen therefore they are less able to buy in bulk which is a considerable cost savings and must purchase packaged or premade meals to accommodate their living arrangements.

2. Shelter cleaning & supplies: TTD will engage a Portland based cleaning company, Green Clean, to clean our residential shelter bi-weekly. Shelter cleaning will include all communal spaces to decrease the likelihood that COVID or other viruses linger on frequently touched surfaces. TTD is already an established client of Green Clean and the average cost to clean our residential facility's communal spaces is \$375.00 per cleaning. TTD is requesting \$4,500 to be allocated towards bi-weekly shelter cleaning through the end of the calendar year. Additionally, TTD is requesting \$1,200 to fund laundry supplies for survivors of domestic violence sheltering in a Portland hotel. Laundry and supplies cost an average of \$10 per family sheltering at the hotel per week. This will allow us to continue to support 10 families in the hotel for the 12-weeks.

3. Reconfiguring spaces: TTD is requesting \$2,000 in materials and supplies to reconfigure office spaces to allow for social distancing in our residential shelter located in Portland. With this allocation, TTD will create a half-door on one of our advocate

offices as well as two plexi-glass barriers for the office door spaces. TTD has received a preliminary estimate to ensure that this is feasible in the space. Additionally, TTD will purchase patio and outdoor furniture to allow for social distancing in our outside spaces to meet with shelter residents.

6. TTD is part of the greater homeless service system and supports in the City of Portland and Statewide. TTD participates in the Maine Continuum of Care, the Region 1 Homeless Council, the Statewide Homeless Council and the Emergency Shelter Assessment Committee. As the only domestic violence resource center in Cumberland County, it is essential that we partner closely with other shelter and housing providers as the need for domestic violence shelter resources is great. A coordinated community response to domestic violence is the only way to support victims and survivors of abuse.

TTD is currently working together with the other shelter and social service providers in the City of Portland to develop a comprehensive plan for sheltering during the COVID pandemic. We will continue to participate in these meetings to ensure that survivors of domestic violence have access to safe shelter and that our staff and shelter residents remain healthy and safe.

TTD publicizes our services in a variety of ways to reach out to individuals and families impacted by domestic violence. TTD has a newly launched website containing our contact information, including information to access our 24-hour helpline. We have information and materials available for other organizations and shelters so that it is visible and present to those in need and we routinely collaborate with other shelter and service providers to receive referrals for individuals in need of support, safety planning and shelter.

D. CDBG-CV BUDGET FORM, limit 1 page

Complete one program budget spreadsheet for each program application.

Feel free to edit categories under Revenues or Expenditures as relevant to your program or project.

PROGRAM OR PROJECT NAME: Through These Doors Emergency Shelter for Victims of Domestic Violence
OPERATING AGENCY: Through These Doors

REVENUES	Please indicate: Secured or Projected	Revenues TOTAL
CDBG-CV Request	Projected	\$ 27,500.00
Other HUD Funds (please list)		
Other Federal Funds (please list)		
a. Victims of Crime Act	Secured	119,976.00
b. Family Violence Prevention Funds	Secured	117,300.00
c. Temporary Aid to Needy Families	Secured	46,186.00
c. Emergency Food Shelter Program	Secured	1,480.00
State/ County Funds (please list)		
a. Maine Housing	Secured	89,575.00
b. MaineCare	Secured	10,000.00
City Funds		
a. General Assistance	Secured	10,000.00
Private Funds (Grants, Fundraising, etc, please list)	Secured	16,660.00
In Kind Services		
TOTAL PROGRAM or PROJECT REVENUE	0	\$ 438,677.00

EXPENDITURES	Expenditures CDBG	Expenditures All Other Sources	Expenditures TOTAL
Administration			
Employee Salaries		\$ 263,628.00	\$ 263,628.00
Employee Fringe Benefits		71,799.00	71,799.00
Professional Services/ Consultant		10,582.00	10,582.00
Equipment			
Materials/Supplies	2,000.00	5,353.00	7,353.00
Office Space (Program only)	4,500.00	15,865.00	20,365.00
Insurance		1,957.00	1,957.00
Other, please specify			
a. Mileage reimbursement		2,184.00	2,184.00
b. Repairs & maintenance		16,913.00	16,913.00
c. Technology		3,085.00	3,085.00
d. Direct client assistance	21,000.00	6,600.00	27,600.00
e. Depreciation		13,211.00	13,211.00
TOTAL PROGRAM or PROJECT EXPENSES	\$ 27,500.00	\$ 411,177.00	\$ 438,677.00

CINCINNATI OH 45999-0038

In reply refer to: 0256426155
 July 25, 2018 LTR 4168C 0
 01-0352636 000000 00
 00026796
 BODC: TE

Verification of 501(c)3
 Status

THROUGH THESE DOORS
 PO BOX 704
 PORTLAND ME 04104-0704



003287

Employer ID number: 01-0352636
 Form 990 required: yes

Dear Taxpayer:

We're responding to your request dated July 18, 2018, about your tax-exempt status.

We issued you a determination letter in March 1978, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

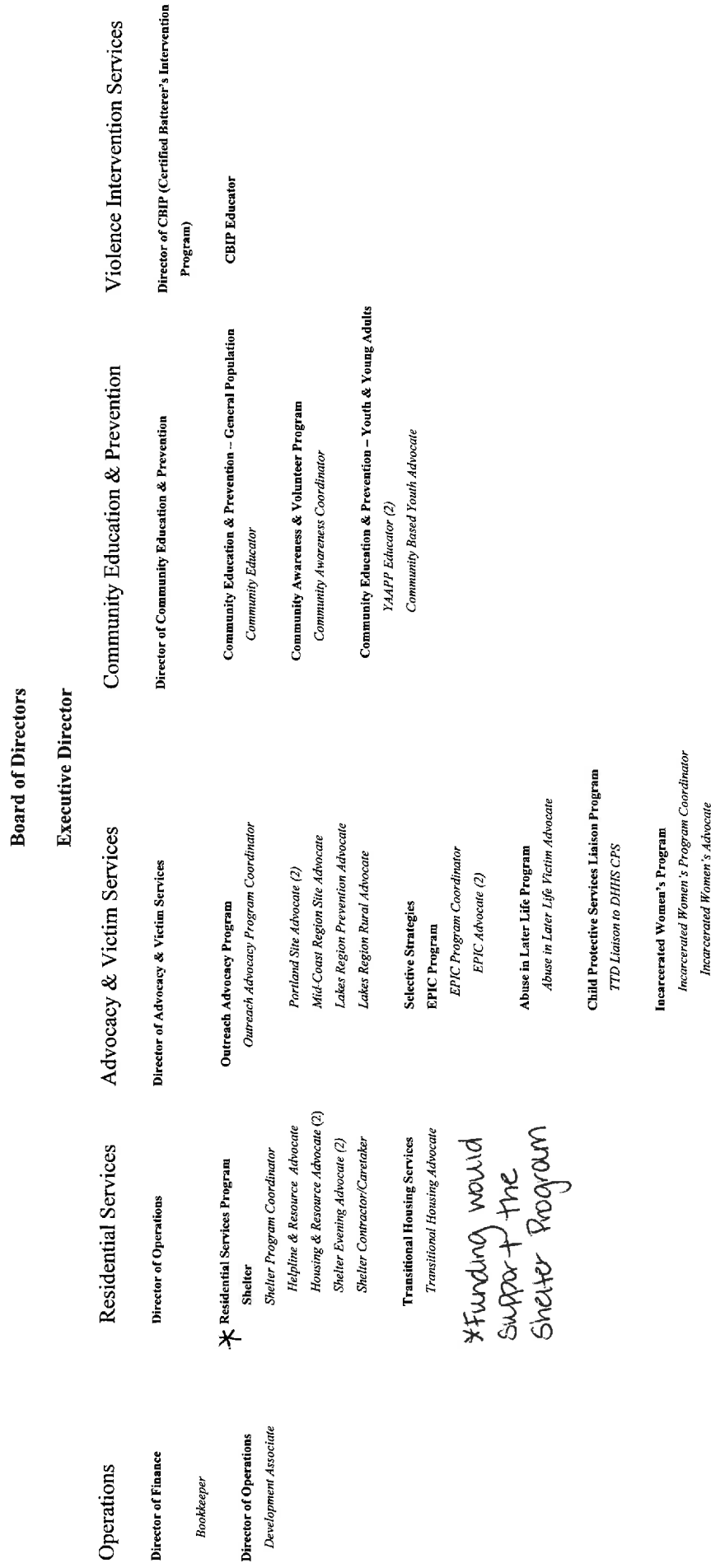
If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,

R. B. Williams

ORGANIZATIONAL STRUCTURE



Through These Doors
Organizational Budget FY '20

	FY20 Budget
Ordinary Income/Expense	
Income	
MCEDV - Consolidated Contract	\$ 1,184,074.00
OVW Grants - Direct	223,470.70
OVW Grants thru partners	51,275.00
Other Fed Grants thru partners	94,476.46
Other Fed/State/Muni/Cty Funds	182,237.00
United Way	74,670.00
Donations & Gifts	63,500.00
Fundraising revenue	14,000.00
Program Income	93,175.00
Miscellaneous	-
Investment & Savings Income	4,000.00
Total Income	\$1,984,878.16
Expense	
Salaries	\$ 1,311,196.87
Payroll Taxes	106,332.94
Employee Benefits	253,197.11
Consultants/Contractors	65,649.00
Rent & Occupancy	69,676.50
Printing	9,654.00
Publications	751.80
Postage	1,437.00
Telephone/Communications	31,194.48
Staff Training	3,700.00
Travel	30,538.00
Supplies	26,445.07
Insurance	8,784.00
Repairs & Maintenance	21,088.76
Technology	12,934.92
Dues/Membership	3,175.00
Advertising	480.00
Administrative Fees	1,415.00
Direct Client Expenses	6,600.00
Contingency	3,498.73
Interest	
Late Fees	
Depreciation Expense	17,128.98
Total Expense	1,984,878.16
Net Ordinary Income	\$ -

Through These Doors
FINANCIAL STATEMENTS
September 30, 2019
With Independent Auditor's Report

Through These Doors

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September 30, 2019

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Edwards, Faust & Smith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Through These Doors

Report on the Financial Statements

We have audited the accompanying financial statements of Through These Doors (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Through These Doors 2018 financial statements, and our report dated March 13, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2020, on our consideration of Through These Doors' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Through These Doors' internal control over financial reporting and compliance.

Edwards, Faust + Smith

March 11, 2020

Through These Doors

Statement of Financial Position

September 30, 2019
(With comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 320,601	\$ 213,166
Grants receivable	176,231	218,901
Accounts and other receivables	2,014	4,085
Unconditional promises to give	36,652	49,044
Prepaid expenses	<u>1,293</u>	<u>1,460</u>
Current assets	536,791	486,656
Property and Equipment	<u>532,350</u>	<u>549,479</u>
Total assets	<u>\$ 1,069,141</u>	<u>\$ 1,036,135</u>
LIABILITIES		
Accounts payable	\$ 54,689	\$ 28,062
Accrued expenses	<u>102,043</u>	<u>115,056</u>
Total current liabilities	<u>156,732</u>	<u>143,118</u>
NET ASSETS		
Without donor restrictions	793,255	747,522
With donor restrictions		
Subject to expenditure for specific purpose	<u>119,154</u>	<u>145,495</u>
Total net assets	<u>912,409</u>	<u>893,017</u>
Total liabilities and net assets	<u>\$ 1,069,141</u>	<u>\$ 1,036,135</u>

Through These Doors

Statement of Activities

Year Ended September 30, 2019
(With comparative totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
Revenue and other support				
Grants from government agencies and others	\$ 1,653,762	\$ -	\$ 1,653,762	\$ 1,600,310
Other Contributions	151,259	104,696	255,955	352,513
Fundraising	1,413	-	1,413	31,220
Program Income	99,521	-	99,521	68,361
Investment income	4,525	-	4,525	4,202
In-Kind Revenue	68,629	-	68,629	18,500
	<u>112,433</u>	<u>(112,433)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>2,091,542</u>	<u>(7,737)</u>	<u>2,083,805</u>	<u>2,075,106</u>
Expenses				
Program services	1,906,161	-	1,906,161	1,926,083
Support services	131,279	-	131,279	85,905
Fundraising	<u>8,369</u>	<u>-</u>	<u>8,369</u>	<u>18,977</u>
Total expenses	<u>2,045,809</u>	<u>-</u>	<u>2,045,809</u>	<u>2,030,965</u>
Change in net assets from operations	45,733	(7,737)	37,996	44,141
Adjust beginning of year	<u>-</u>	<u>(18,604)</u>	<u>(18,604)</u>	<u>-</u>
Change in net assets	45,733	(26,341)	19,392	44,141
Net assets, beginning of period	<u>747,522</u>	<u>145,495</u>	<u>893,017</u>	<u>848,876</u>
Net assets, end of period	<u>\$ 793,255</u>	<u>\$ 119,154</u>	<u>\$ 912,409</u>	<u>\$ 893,017</u>

Through These Doors

Statement of Functional Expenses

Year Ended September 30, 2019
(With comparative totals for 2018)

	Program Services	Administration	Fundraising	Totals	
				2019	2018
Wages	\$ 1,078,691	\$ 83,622	\$ 6,007	\$ 1,168,320	\$ 1,212,226
Payroll taxes	86,010	6,727	483	93,220	99,092
Employee benefits	202,890	15,870	1,139	219,899	227,369
Total wages and overheads	1,367,591	106,219	7,629	1,481,439	1,538,687
Contractors and sub-grantees	131,410	9,626	283	141,319	103,714
Advertising	884	69	5	958	385
Supplies	24,920	1,225	88	26,233	23,661
Postage and printing	6,418	502	36	6,956	10,743
Telephone and communications	45,901	2,073	149	48,123	34,726
Rent and occupancy expense	81,518	6,556	-	88,074	87,043
Staff training	2,937	230	17	3,184	3,077
Travel	62,568	1,449	102	64,119	38,358
Repairs and maintenance	68,253	464	-	68,717	22,844
Insurance	8,105	634	45	8,784	7,434
Dues and memberships	2,630	206	15	2,851	3,171
Depreciation expense	17,129	-	-	17,129	17,129
Interest	39	-	-	39	32
Miscellaneous	29	-	-	29	-
Direct client expenses	85,829	-	-	85,829	137,368
Administrative fees	-	2,026	-	2,026	2,593
Total expenses	\$ <u>1,906,161</u>	\$ <u>131,279</u>	\$ <u>8,369</u>	\$ <u>2,045,809</u>	\$ <u>2,030,965</u>

Through These Doors

Statement of Cash Flows

Year Ended September 30, 2019
(With comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 37,996	\$ 44,141
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	17,129	17,129
Adjust beginning of year net assets	(18,604)	-
Decrease (increase) in		
Accounts receivable	2,071	11,251
Grant receivable	42,670	51,879
Unconditional promises to give	12,392	19,131
Prepaid expenses	167	183
Increase (decrease)		
Accounts payable	26,627	1,448
Accrued expenses	(13,013)	23,585
	<u>107,435</u>	<u>168,747</u>
Net cash from operating activities	<u>107,435</u>	<u>168,747</u>
Net change in cash	107,435	168,747
Cash and cash equivalents, beginning of year	<u>213,166</u>	<u>44,419</u>
Cash and cash equivalents, end of year	\$ <u><u>320,601</u></u>	\$ <u><u>213,166</u></u>
Additional disclosure items		
Interest paid in cash	\$ 39	\$ 32

Through These Doors

Notes to Financial Statements

September 30, 2019

1. Significant Accounting Policies

Nature of Operations

Through These Doors (the Organization) is a not-for-profit organization incorporated in 1977 under the laws of the State of Maine for the general purpose of providing emergency refuge to abused women and children. The Organization provides a 24-hour hotline, walk-in outreach services in Portland, Brunswick, and Bridgton, Maine, one emergency shelter, support groups, and educational and advocacy programs. The Organization is supported primarily through federal and state governmental support. The accounting policies of the Organization conform to U.S. generally accepted accounting principles (U.S. GAAP) applicable to voluntary health and welfare organizations. The following is a summary of the more significant policies.

Financial Statement Presentation

Financial statement presentation follows the guidelines promulgated in professional accounting standards. Accordingly, the Organization's financial position and activities are reported in two classes of net assets: Net assets are classified as follows:

Net assets without donor restrictions- Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a 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 statement of activities as net assets released from restrictions.

Restricted contributions whose restrictions are met in the year the contribution is received are reported as net assets without donor restrictions.

The preparation of financial statements in conformity with generally accepted accounting principles 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. Assets and liabilities are recorded and revenues and expenses are recognized by the accrual method of accounting.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018 from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on outstanding balances at year-end. Support received under grants and contracts is recorded as public support when the related amounts are determined to be due from grantor agencies. Receivables consist primarily of grant amounts due. All receivables were collectible at September 30, 2019, and no allowance is considered necessary.

Through These Doors

Notes to Financial Statements

September 30, 2019

1. Significant Accounting Policies (Continued)

Property and Equipment

It is the policy of the Organization to capitalize property and equipment costing more than \$5,000 with a useful life longer than one year. Property and equipment is carried at cost or fair market value at the time of donation. Donations of property and equipment are recorded at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is computed on the straight-line basis over the assets' estimated useful lives. Buildings and improvements lives range from 15 to 30 years, and equipment lives range from 4 to 7 years. Land is not being depreciated.

Grant Revenues

Government grants are provided to support specific programs, and are subject to various budgetary restrictions. Grants received are expended under the terms stated in the guidelines of the grant. Grant revenue earned but not yet received is recorded as an accounts receivable, and funds received but not yet earned are recorded as grant advances repayable.

Contributions

Contributions, including bequests, are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions that are received and used in the same year are accounted for as contributions without donor restrictions.

Unconditional promises to give are recognized as revenues in the period the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Advertising

Advertising costs are expended as incurred.

In-kind Contributions

In-kind contributions represent donated facilities and have been recorded at fair market value. The Organization's policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Income Taxes

Through These Doors is a charitable and benevolent organization that qualifies as a tax exempt organization under section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for income taxes.

Through These Doors
Notes to Financial Statements
September 30, 2019

2. Property and Equipment

Property and equipment consists of the following:

	<u>2019</u>	<u>2018</u>
Buildings	\$ 462,529	\$ 462,529
Land	232,054	232,054
Furniture and equipment	<u>36,079</u>	<u>36,079</u>
	730,662	730,662
Less accumulated depreciation	<u>(198,312)</u>	<u>(181,183)</u>
	<u>\$ 532,350</u>	<u>\$ 549,479</u>

3. Leases

The Organization leases space in buildings in Cape Elizabeth and Portland, Maine, under operating leases with various expiration dates. The Organization also leases space in various locations on month to month and as needed basis. Rent expense for the years ended September 30, 2019 and 2018 was \$59,896 and \$60,197 respectively.

Scheduled payments on operating lease obligations for the next five years are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 32,000
2021	26,000
2022	20,000
2023	12,000
Thereafter	-

4. In-Kind donations

Donated facility space is reflected as In-Kind donations in the accompanying financial statements at its estimated fair market value. The value is determined using square footage and estimated fair rental value. The value of such facility space is estimated at \$18,500 for the years ending September 30, 2019 and 2018. In 2019 the Organization also recorded donated shelter renovation materials and labor totaling \$50,129.

The Organization also received donated services that do not require specific expertise but which are nonetheless central to its operations. A substantial number of volunteers have donated significant amounts of their time in the Organization's program services. Volunteers provide on-call coverage, hotline, outreach, and other volunteer services. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under U.S. GAAP have not been satisfied.

5. Grants

Grants from government agencies are as follows:

	<u>2019</u>	<u>2018</u>
Maine Coalition to End Domestic Violence		
Consolidated contract passed from Maine DHHS	\$ 1,011,073	\$ 996,577
Maine State Housing Authority	90,908	102,998
U.S. DOJ, including amounts passed from sub recipients	424,124	378,571
U.S. HUD, including amounts from sub recipients	33,432	27,240
Department of Public Safety	91,535	92,518
USDA-FEMA Funds	<u>2,690</u>	<u>2,406</u>
	<u>\$ 1,653,762</u>	<u>\$ 1,600,310</u>

Grants from the Maine Department of Health and Human Services are subject to audit by the State, and final amounts due upon acceptance of the audits are recorded in the year of settlement. As of September 30, 2019, the State has audited through the year ended September 30, 2017 and no additional amounts were owed.

Through These Doors
Notes to Financial Statements
September 30, 2019

6. Concentrations

For the years ended September 30, 2019 and 2018, approximately 79% and 77% of the Organization's total revenue and public support came from or through the Federal Government and the State of Maine respectively.

7. Financial Instruments

The Organization maintains substantially all of its cash balances in one financial institution. Interest bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash.

8. Net Assets

Net assets with donor restrictions are to be used for the following purposes:

	<u>2019</u>	<u>2018</u>
Unconditional promises to give (United Way)	\$ 36,653	\$ 49,044
Program restrictions		
Safe Bars		18,604
Shelter	42,873	44,808
100+ Women	12,750	12,450
Other	26,878	20,589
	<u>\$ 119,154</u>	<u>\$ 145,495</u>

Effective October 1 2019 the Organization determined the Safe Bars net assets should be recorded as fiscal agent transactions rather than as restricted contributions. Accordingly the beginning net asset balance was reclassified as a liability on the statement of financial position.

9. Retirement Plan

In 1997, the Organization adopted a SEP-IRA plan, with a discretionary employer match, covering all employees over 21 years of age with two years of employment. Retirement expense totaled \$ 16,297, and \$22,281 in 2019 and 2018 respectively.

10. Line of Credit

The Organization has a \$200,000 bank line of credit with Gorham Savings Bank with an interest rate equal the published Wall Street Journal (WSJ) rate plus 1%. \$0 was outstanding on the line of credit at September 30, 2019 and 2018. The agreement is reviewed annually.

11. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, available for general purposes within one year of the balance sheet date:

	<u>2019</u>	<u>2018</u>
Current assets	\$ 536,791	\$ 486,656
Less: Prepaid expenses	<u>(1,293)</u>	<u>(1,460)</u>
	<u>\$ 535,498</u>	<u>\$ 485,196</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a line of credit totaling \$200,000 which it could draw upon.

Through These Doors
Notes to Financial Statements
September 30, 2019

12. New Accounting Pronouncement

Presentation of financial statements of not-for-profit entities:

On August 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Organization's financial statements.

- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include new disclosure about liquidity and availability of resources (Note 11).

The changes have the following effects on net assets as of September 30, 2018:

	As Originally Presented	After Adoption of ASU 2016-14
Net Asset Class		
Unrestricted net assets	\$ 747,522	\$ -
Net assets without donor restrictions	-	747,522
Temporarily restricted net assets	145,495	-
Net assets with donor restrictions	-	145,495
	<u>\$ 893,017</u>	<u>\$ 893,017</u>

13. Subsequent Events

Subsequent events have been evaluated through March 11, 2020, which is the date the financial statements were available to be issued, and no additional matters were determined to require adjustment or disclosure.



Edwards, Faust & Smith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Through These Doors

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Through These Doors (the Organization), a nonprofit organization, which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of The Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Edwards, Faust + Smith

March 11, 2020



Edwards, Faust & Smith
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

The Board of Directors
Through These Doors

Report on Compliance for Each Major Federal Program

We have audited Through These Doors (the Organization), a nonprofit organization, compliance with the types of compliance requirements described in the *Uniform Guidance* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2019. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Through These Doors compliance.

Opinion on Each Major Federal Program

In our opinion, Through These Doors complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of Through These Doors is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Through These Doors internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Through These Doors internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Edwards, Faust & Smith

March 11, 2020

Through These Doors
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Disbursements/ Expenditures	Payments to Subrecipients
<u>Federal assistance</u>				
<u>U.S. Department of Health and Human Services - Pass-through Funding</u>				
Maine Department of Health and Human Services Maine Coalition to End Domestic Violence Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	OVP-19-2010A	\$ 117,412	\$
Maine Coalition to End Domestic Violence Temporary Assistance for Needy Families	93.558	OVP-19-2010A	192,191	
Maine Department of Health and Human Services Maine Coalition to End Domestic Violence Promoting Safe and Stable Families	93.556	OVP-19-2010A	40,000	
Total U.S. Department of Health and Human Services - Pass-through Funding			349,603	-
<u>U.S. Department of Justice - Pass-through Funding</u>				
Maine Department of Health and Human Services Maine Coalition to End Domestic Violence Crime Victim Assistance	16.575	OVP-19-2010A	532,460	*
Maine Department of Public Safety Violence Against Women Formula Grants	16.588	VS-02-17	15,433	
Violence Against Women Formula Grants	16.588	VS-04-18	18,415	
Cumberland County, Maine Sheriff's Office Violence Against Women Formula Grants	16.588	LE-07-17	15,762	
Violence Against Women Formula Grants	16.588	LE-01-18	41,925	
Total Violence Against Women Formula Grants			91,535	-
Cumberland County, Maine Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590		67,219	
Legal Assistance for Victims	16.524	2016-WL-AX-0002	50,869	
Total U.S. Department of Justice - Pass-through Funding			742,083	-
<u>U.S. Department of Justice - Direct Funding</u>				
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2016-WH-AX-0076	112,671	520
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528	2014-EW-AX-K005	21,681	
Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys Allies	16.888	2018-CY-AX-0002	63,862	3,216
Rural Domestic Violence, Sexual Assault, and Stalking Assistance Program	16.589	2018-WR-AX-0027	107,823	24,832
Total U.S. Department of Justice - Direct Funding			306,037	28,568
Total U.S. Department of Justice			1,048,120	28,568
<u>U.S. Department of Housing and Urban Development - Pass-through Funding</u>				
Maine State Housing Authority Emergency Solutions Grant Program	14.231		34,201	
Cumberland County, Maine Community Development Block Grants/Entitlement Grants	14.218		15,632	
South Portland, Maine Community Development Block Grants/Entitlement Grants	14.218	B-17-UC-23-0001	7,700	
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-23-0001	4,900	
Bridgton, Maine Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-23-0001	5,200	
Total Community Development Block Grants/Entitlement Grants			33,432	-
Total U.S. Department of Housing and Urban Development - Pass-through Funding			67,633	

Through These Doors

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2019

Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Disbursements/ Expenditures	Payments to Subrecipients
U.S. Department of Homeland Security - Pass-through Funding				
Cumberland County, Maine local board				
Emergency Food and Shelter National Board Program	97.024		2,690	
Total U.S. Department of Homeland Security - Pass-through Funding			2,690	*
Grand Total of Federal Awards Expended			\$ 1,468,046	\$ 28,568

Catalog of Federal Domestic Assistance Totals	Federal CFDA Number	Federal Disbursements/ Expenditures	Payments to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	\$ 33,432	\$
Emergency Solutions Grant Program	14.231	34,201	
Legal Assistance for Victims	16.524	50,869	
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528	21,681	
Crime Victim Assistance	16.575	532,460	
Violence Against Women Formula Grants	16.588	91,535	
Rural Domestic Violence, Sexual Assault, and Stalking Assistance Program	16.589	107,823	24,832
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	67,219	
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.736	112,671	520
Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys Allies	16.888	63,862	3,216
Promoting Safe and Stable Families	93.556	40,000	
Temporary Assistance for Needy Families	93.558	192,191	
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	117,412	
Emergency Food and Shelter National Board Program	97.024	2,690	
		\$ 1,468,046	\$ 28,568

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Through These Doors and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The Organization elected not to use the 10% de minimis indirect cost rate.

* - Major program.

Through These Doors

Schedule of Findings and Questioned Costs

September 30, 2019

Section I.	Summary of Auditor's Results
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Financial Statements

Type of auditor's report issued:

Unmodified

Internal Control over financial reporting

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(s) identified that are not considered to be material weaknesses?

_____ Yes X No

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?

_____ Yes X No

Significant deficiency(s) identified that are not considered to be material weaknesses?

_____ Yes X No

Type of auditor's report issued on compliance for major federal programs

Disclaimer

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance?

_____ Yes X No

Identification of major programs – The following program listed in the schedule of expenditures of federal awards was audited as a major program

Department	Program	CFDA
U.S. Department of Justice	Crime Victim Assistance	16.575

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II. Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Board of Directors with Affiliations
10/2019-9/30/2020

Officers

Judith Reidman, Board President
Paralegal, Compliance Issues
Realtor - Keller Williams Realty
Member since 2007

Sara Hirshon, Board Vice President
Partner
Verrill, Attorneys at Law
Member since 2016

Carrie Peoples, Board Secretary
Nurse Manager, PC2 unit, Maine Medical Center
Member since 2016

Nicole Davis-Johnson, Board Treasurer
Corporate FP&A, Senior Manager, Wex, Inc
Member since 2017

Directors

Sarah Groom, LSW
Child Protective Assessment worker
(Cumberland County)
DHHS, CPS
Member since 2016

Heather O'Bryan
Video Producer
Heinemann Publishing
Member since 2016

Robert Doherty
Lieutenant, Portland Police Dept.
Member since 2018

Richard Kunieki Tondele
Vocational Evaluator
Fedcap – Maine BTC
Member since 2019

Christina Foster
Administrative Services Coordinator
Maine Coalition to End Domestic
Violence (MCEDV)
Member since 2016

Sean Callahan
Senior Director, GTM Marketing
Kepware at PTC
Member since 2017

Aislinn White
Senior Leadership Gift Officer, Maine Medical Ctr
Member since 2019

Anna Blaney
VP Customer Development Leader
Gorham Savings Bank
Member since 2019

COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS RESPONSE

II. CDBG-CV APPLICATION

COMPLETE APPLICATION CHECKLIST

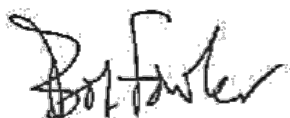
Please submit each section of the application, including this checklist:

- ☒ **A. CDBG-CV Application Cover Page**, *limit 1 page*
- ☒ **B. CDBG-CV Application Worksheet**, *limit 2 pages*
- ☒ **C. CDBG-CV Application Narrative**, *limit 5 pages*
- ☒ **D. Budget: Revenues and Expenditures**, attached separately, *limit 1 page*

Budget worksheet MUST match budget listed on the Cover Page, Summary page, and in the narrative

Required documents for non-profit organizations:

- ☒ **Verification of 501(c)3 or 6 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**



Signature of the President or Executive Director

Date 6/4/2020

A. CDBG-CV COVER PAGE, limit 1 page

CDBG-CV COVER PAGE

Service Type	☒ Homeless Prevention ☐ Food Assistance		
CDBG-CV Type	☐ Prevention of the Coronavirus ☐ Preparation for the Coronavirus ☒ Response to the Coronavirus		
Operating Agency	Milestone Recovery		
Program Name	Emergency Shelter		
Program Area	Portland		
Mailing Address	65 India Street, Portland, ME 04101		
Address Services are Delivered	65 India Street, Portland, ME 04101		
Executive Director /Town Manager	Bob Fowler	Phone 775-4790	Email bfowler@milestone-recovery.org
Project Director	Tom Natalie	Phone 775-4790	Email tnatalie@milestone-recovery.org
Financial Contact	Marianne Sensale-Guerin	Phone 775-4790	Email msensale@milestone-recovery.org
Person who completed the Application	Samuel Heck	Phone 771-1931	Email sheck@milestone-recovery.org
Amount of CDBG-CV Funds Requested \$20,000		Total Program Budget \$874,579	
DUNS Number 073993883		Tax Id 01-6024344	
		Estimated number of people who will be served: 500	

B. CDBG-CV WORKSHEET, limit 2 pages

1. HUD National Objective. All CDBG-CV programs must serve Low and Moderate Income Clientele

- ☒ **Low and Moderate Income Clientele (LMC):** an activity which provides benefits to a specific group of persons of which at least 51% qualifies as LMI Portlanders

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)

2. Beneficiaries.

A. Describe the beneficiaries or clients served by the program.	A. Milestone's Emergency Shelter serves men struggling with substance use and homelessness.
B. How many will be served by the proposed program? (unduplicated -per year)	B. 500
C. How many are <u>Portland Resident</u> ?	C. 500
D. How many are <u>low to moderate income residents of Portland</u> ? See income data in the instructions	D. 500
E. What percentage of total clients are low to moderate income residents of the Portland? (To calculate = $D/B * 100$; Must be > 51%)	E. 100%

3. Program Costs and Outcomes. Please list below.

Program Costs (to be reimbursed)	Outcomes/ Community Impact
Payroll Costs (Intake Screening Nurse)	Enhanced identification of possible COVID-19 cases, leading to reduced community spread
Personal Protective Equipment	Reduced community spread of COVID-19

4. Documentation

A. How will the beneficiaries' information be collected and documented?	A. Client information is tracked using the Homeless Management Information System managed by MaineHousing. In addition, the Intake nurse records information in medical logs regarding any symptoms indicated in screenings of staff or clients.
---	--

A. What documentation will be used to prove the funds are going to the prevention, preparation or response to the Coronavirus?	B Milestone will retain receipts for all personal protective equipment purchased, along with payroll records and screening logs demonstrating the number of medical screenings conducted.
C. How will the units of service be tracked and documented?	C. The screening nurse maintains logs of all screenings conducted, whether symptoms were detected, and whether the individual was referred to testing.
D. How will the outcomes be measured, collected, and documented?	D. Working closely with the CDC, other shelter providers, and medical providers, Milestone closely monitors the number of cases of COVID-19 detected among homeless individuals in Portland. We will track these numbers to ensure that community spread of the disease is minimized.

Please limit the CDBG-CV Worksheet to 2 (two) Pages.

1. Program Description

Milestone Recovery operates Southern Maine's only homeless shelter specialized in meeting the unique needs of individuals with substance use disorders. As such our goals are threefold: first, to meet the immediate physical needs of clients living on the streets of Portland, including providing a safe and warm place to spend the night, nutritious meals, and bathing facilities; second, to provide linkages to mental health care, community supports, counseling, and substance use treatment programs to support successful recovery from addiction; and third, to alleviate stress on the region's social service and emergency response network. An outgrowth of the Emergency Shelter Program, the Housing Navigator Program seeks to identify shelter clients experiencing homelessness on a chronic basis, and support them in securing and successfully transitioning to permanent housing.

Each year the shelter serves the needs of over 500 unique clients, providing nearly 15,000 bed-nights of shelter. On most nights, its 41 shelter beds are completely full, particularly during the cold nights of winter.

For many of our clients, the Emergency Shelter constitutes the first step in a journey to recovery from addiction. As shelter staff help clients with their immediate physical needs, they build relationships of mutual respect, understanding, and trust that help them to tailor services to each individual's needs. Milestone's Homeless Outreach and Mobile Engagement (HOME) Team reinforces that relationship of trust by providing community-based outreach, transportation, crisis intervention, and mobile health services. As clients become more comfortable with Milestone and its staff, many eventually seek longer-term recovery services through Milestone's other programs, including the Housing Navigator, our short-term detox program, and our long-term residential treatment program in Old Orchard Beach.

2. Need for the Program and CDBG-CV Funds as it relates to the Coronavirus

Individuals experiencing homelessness are among the most vulnerable members of our communities. Indeed, studies show that the average life expectancy for an individual living with homelessness is only 42-52 years, compared with 78 years across the whole population. Homeless individuals are more than six times more likely to become ill than housed individuals. For those simultaneously coping with alcoholism, addiction, or other substance use disorders, the situation is often even more dire. Thus, the services that Milestone provides are often literally life-saving. This vulnerability is greatly magnified by the presence of Coronavirus in the community. Many of Milestone's clients have chronic medical conditions, including chronic coronary, respiratory, immune system, and liver disorders, all of which are risk factors for negative outcomes from COVID-19.

In addition to being at risk for complications if infected, Milestone's clients are at elevated risk of exposure. Many of the most important and widespread recommendations for limiting the spread of the Coronavirus center on the importance of limiting close contact with individuals who may be infected, and remaining in one's home to the degree possible, avoiding unnecessary time in public places. For Milestone's clients, who lack access to stable housing, this form of social distancing is nearly impossible. Indeed, under normal circumstances, clients at homeless shelters, including Milestone's, generally eat their meals in shared facilities, sleep on cots or mats mere inches apart, and share bathroom facilities.

In mid-March, as the first cases of COVID-19 were detected in Maine, Milestone was among the first to implement new health screening protocols to detect any clients who would be indicated for further medical evaluation as they presented for service at the Shelter. Under this new procedure, a Registered Nurse screens each client and each staff member as they arrive at the shelter. The screening includes both testing for fever, oxygen monitoring, and a series of CDC-recommended questions regarding symptoms and contact with infected individuals. During the week of May 18, these screening protocols identified possible symptoms in a client who was subsequently referred for testing, with the unfortunate finding of a positive test for COVID. In subsequent testing of staff and clients, an additional one case among clients and three cases among staff were detected, thus constituting an "outbreak" according to CDC guidelines.

While this obviously complicates the Shelter's work going forward, it also constitutes a success of the screening protocols. With the scope and breadth of the COVID-19 pandemic and the vulnerable nature of Milestone's client

population, it was inevitable that one or more clients would eventually present with the disease. The screening procedures, thus, were designed with the goal of detecting those cases early, isolating those clients, connecting them with medical care and containing the spread of the disease. The client who ultimately tested positive was identified right as he presented to the shelter, thus preventing what could otherwise have been a far more widespread outbreak.

In light of the current outbreak at Milestone and the enduring nature of the pandemic, it is anticipated that it will be necessary to keep the current screening procedures in place for the foreseeable future. This necessitates the continuation of the Screening Nurse position (a new position created in specific response to COVID-19 given Milestone's especially vulnerable population), as well as a significant increase in the budget for personal protective equipment in order to prevent transmission.

3. Project Management

Milestone's Shelter is overseen primarily by Executive Director Bob Fowler and Shelter Manager Thomas Natalie. Tom, who has worked in the Shelter since 2007 and has served as Shelter Manager since 2010, primarily oversees day-to-day operations and directly supervises staff. Bob, who has served as Milestone's Executive Director in 2014 and has more than 30 years of clinical and administrative experience in behavioral health, is responsible for financial oversight, compliance, and program administration.

Milestone has extensive experience in providing both medical care and shelter services. The organization has been providing services to individuals facing substance use disorders since 1967. The organization's Medical Detoxification program, overseen by a physician and staffed by a 24-hour nursing staff, is one of the only such programs in the state to serve uninsured and underinsured Mainers. The Emergency Shelter has operated at India Street for more than six decades; Milestone has managed the program since 1998. The shelter is fully licensed by the Maine Department of Health and Human Service and Maine Housing Authority.

4. Readiness to proceed

Milestone is ready to proceed with its steps to mitigate the spread of COVID-19. Indeed, the protocols were designed and implemented in mid-March, and have been repeatedly revised as CDC guidance has evolved. Nursing personnel are already in place performing screenings. Likewise, policies and equipment for Personal Protective Equipment are already in place; the focus of this request is for funds to continue implementing these precautions as the pandemic continues longer than initially expected.

Although the unpredictable nature of the COVID-19 pandemic makes it extremely difficult to project timelines, the project is already underway, and is anticipated to continue as long as CDC guidance recommends. This will almost certainly be through the fall of 2020, and likely through the end of the year or beyond.

5. Budget for the Project

The attached budget reflects the overall operating expenses for the Shelter program. Being a direct service program for clients with highly specialized needs, a large majority of the program expenses are for direct service personnel. CDBG-CV funds, however, are concentrated in two specific areas: the increased cost of personal protective equipment and the personnel cost of the Intake Nurse position. These are the two expenses most directly involved in our efforts to identify and contain COVID-19 within the Shelter.

6. Partnerships, Collaboration, and Outreach

Collaboration is at the foundation of Milestone's work, and that is particularly true of our efforts to curb the spread of the Novel Coronavirus. Since late March, a daily conference call, initially convened and now continued under the leadership of Milestone's Executive Director Bob Fowler, has served as the backbone of local efforts to coordinate services the Coronavirus response among the government and nonprofit providers of homelessness services in Portland. Working with partners at the City of Portland's homeless shelters, Preble Street, Greater Portland Health, Northern Light Mercy Hospital, Maine Medical Center, the Maine Centers for Disease Control, the Maine Department of Health and Human Services, and other parties. Through this unique and responsive collaboration, Milestone has led the creation of a shared information release, so that providers can not only share

information on overall trends in client health and COVID-19 prevention and response measures, but also legally and ethically share data related to client-specific care, and coordinate health interventions for clients who may become ill. Milestone has also taken it upon itself to provide and quickly distribute detailed notes of these calls to further enhance coordination within the system.

The call has been instrumental in coordinating services and helping to designate each shelter with its state-defined level of care: Wellness Shelters for individuals who are not experiencing symptoms and are not believed to be infected; Person Under Investigation (PUI) shelters for individuals who are experiencing symptoms consistent with COVID-19 but have not yet received a testing result; Confirmed Contact shelters for individuals who are not experiencing symptoms, but who have had close contact with an individual who tested positive; and Respite shelters for individuals who have received positive tests.

Along with daily participation on the call by the City, Preble Street, and Milestone as the shelter providers, there is also daily participation by leaders from Greater Portland Health, Mercy Hospital, Maine Medical Center. Representatives from Maine CDC participate daily, as do numerous Prevention Medicine physicians from MMC. Finally, the call includes regular participation of senior leaders from DHHS.

Though the collaboration between the partners who have been participating on the daily call has not been codified into a formalized memorandum of understanding, the evidence of the partnership is the every-single-day participation of most all of the partners on the call. Said more broadly, Milestone very much seeks to work in the spirit of partnership and collaboration.. We at Milestone feel very privileged to be working in this community with so many excellent partners who are committed to working with one another and serving our community. We are very fortunate in Portland.

D. CDBG-CV BUDGET FORM , *limit 1 page*

Complete one program budget spreadsheet for each program application.

Feel free to edit categories under Revenues or Expenditures as relevant to your program or project.

PROGRAM OR PROJECT NAME:

Substance Use Emergency Shelter

OPERATING AGENCY:

Milestone Recovery

REVENUES	Please indicate: Secured or Projected	Revenues TOTAL
CDBG-CV Request	Projected	20000
Other HUD Funds (please list)		
a.		
Other Federal Funds (please list)		
a. US Probation Court	Projected	11000
b.		
State/ County Funds (please list)		
a. Office of Behavioral Health	Projected	250579
b. Maine State Housing Authority	Projected	310000
City Funds	Projected	248000
Private Funds (Grants, Fundraising, etc, please list)		
a. JT Gorman and United Way	Projected	20000
b. Doree Taylor	Projected	15000
In Kind Services		
TOTAL PROGRAM or PROJECT REVENUE	0	874579

EXPENDITURES	Expenditures CDBG	Expenditures All Other Sources	Expenditures TOTAL
Administration		71592	71592
Employee Salaries	10000	502504	512504
Employee Fringe Benefits		150529	150529
Professional Services/ Consultant		11289	11289
Equipment		3025	3025
Materials/Supplies		10485	10485
Office Space (Program only)		20761	20761
Insurance		10835	10835
Other, please specify			
a. Personal Protection Equipment	10000	0	10000
b. Depreciation		18140	18140
c. Food		23876	23876
d. Utilities		20055	20055
e. Training and Miscellaneous		11488	11488
TOTAL PROGRAM or PROJECT EXPENSES	20000	854579	874579

CINCINNATI OH 45999-0038

In reply refer to: 0256439164
July 03, 2018 LTR 4168C 0
01-6024344 000000 00
00018557
BUDC: TE

HILESTONE RECOVERY
65 INDIA ST
PORTLAND ME 04101



17092

Employer ID number: 01-6024344
Form 990 required: Y

Dear Taxpayer:

We're responding to your request dated June 26, 2018, about your tax-exempt status.

We issued you a determination letter in 196709, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Section 509(a)(2).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

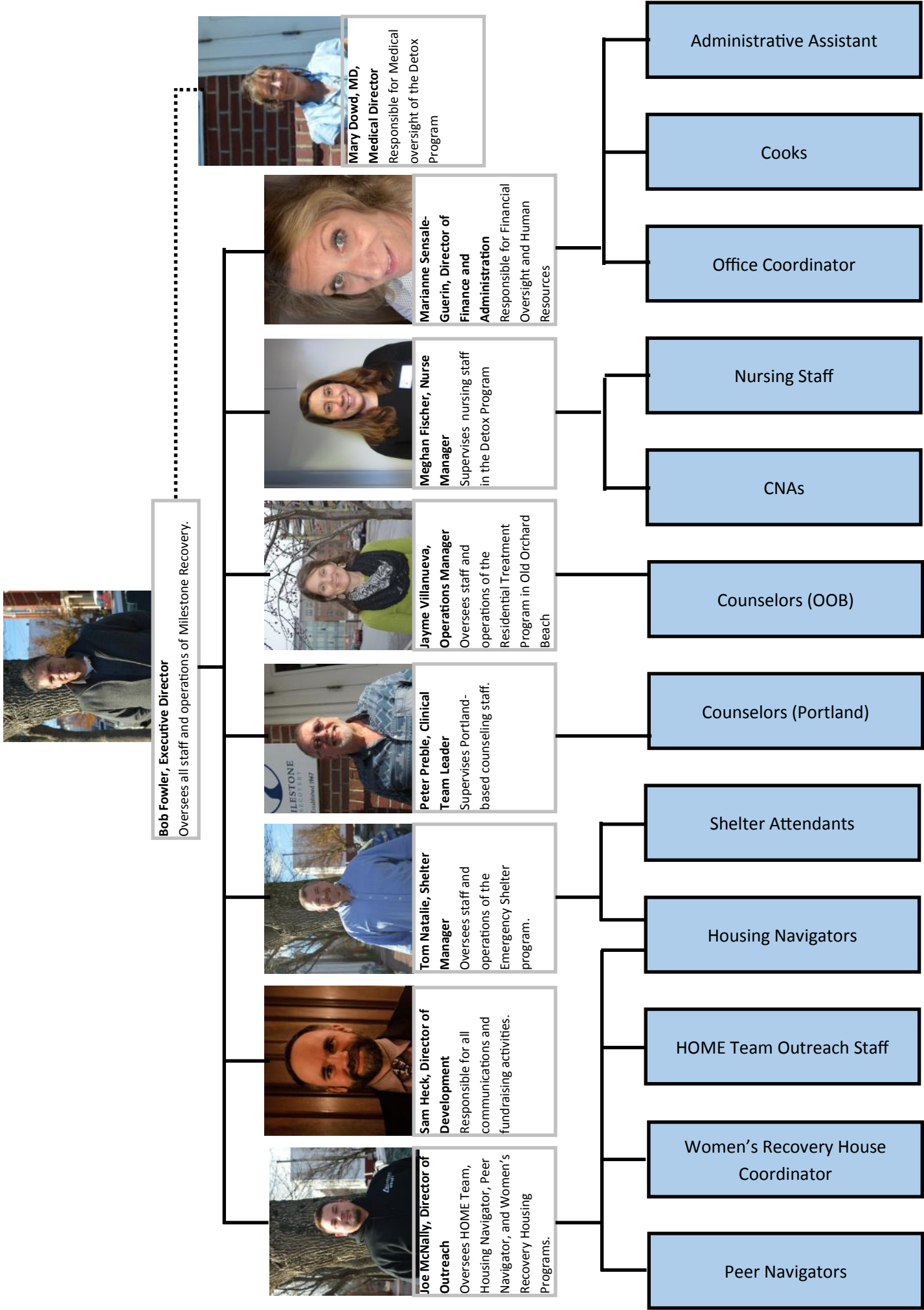
Thank you for your cooperation.

Sincerely yours,

Kim A. Billups, Operations Manager
Accounts Management Operations 1

App I pl

MILESTONE RECOVERY ORGANIZATIONAL CHART—OCTOBER 2019



	Fiscal 2020 Homelessness Services Budget		
		Organization	
	Revenue	Total	
	Maine Office of Substance Abuse	1,447,745.40	
	Maine Office of Substance Abuse - Supplemental*	276,000.00	
	Rental Income - Women's Recovery House	64,800.00	
	Private Insurance	36,000.00	
	City of Portland	292,432.00	
	Maine State Housing Authority - ESHAP	169,999.80	
	Client Fees	39,600.00	
	Rental Income - Residential Treatment Transitional Housing	30,000.00	
	Food Stamps Revenue	13,200.00	
	Unrestricted Donations and Grants	138,000.00	
	Annual Appeal	31,000.00	
	Other Grant Income	5,000.00	
	Other Donations	5,811.11	
	Restricted Donations and Grants	75,000.00	
	Urine Testing Contract Revenue	12,864.00	
	Misc Income	4,225.00	
	Fundraising Event Net Revenues	13,500.00	
	City of Portland - CDBG	114,000.00	
	MaineCare - Outpatient	14,976.00	
	MaineCare PNMI	1,110,400.00	
		-	
	Total Income	3,894,553.31	
	Operating Expenses		
		-	
	Wages	2,202,487.92	
	New Positions - Proposed*	180,544.00	
	Payroll Taxes	202,223.85	
	Maine Service Provider Tax	57,078.43	
	Employee Benefits	293,143.88	
	Medical Director	74,280.00	
	Outside Services-Other	26,351.41	
	Legal Fees	11,675.88	
	Computer Consultant	9,096.00	
	Accountant	18,106.10	
	Agency Nursing	10,000.00	
	Payroll Expenses	15,180.04	
	Equipment Expense	13,444.88	
	Occupancy	94,509.24	
	Utilities	124,117.82	
	Depreciation	82,014.58	
	Maintenance	47,803.99	
	Food	57,464.61	
	Recruitment	900.00	
	Supplies	34,849.12	
	Medications	64,920.00	
	Office Supplies	26,545.86	
	Vehicle Expenses	30,201.01	
	Training	13,480.00	
	Client Enrichment	4,963.97	
	Insurance	53,193.76	
	Miscellaneous	24,531.03	
	Licenses	3,895.00	
	Memberships and Dues	4,800.00	
	Staff Development	10,125.00	
	Conferences, Conventions	1,210.20	
		-	
	Total Expense	3,793,137.58	
	Revenue/(Loss)	101,415.73	
	*the amount of OSA supplemental funding, if any, is speculative, and will be determined by the state.		



MILESTONE
RECOVERY

MILESTONE RECOVERY AND SUBSIDIARIES
Consolidated Financial Statements
June 30, 2019 and 2018

MILESTONE RECOVERY AND SUBSIDIARIES
Consolidated Financial Statements
June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Milestone Recovery and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Milestone Recovery (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Milestone Recovery and Subsidiaries as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in *Change in Accounting Principle* footnote, in 2019 Milestone Recovery and Subsidiaries adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019 on our consideration of Milestone Recovery and Subsidiaries internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Milestone Recovery and Subsidiaries internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Milestone Recovery and Subsidiaries internal control over financial reporting and compliance.



December 10, 2019
South Portland, Maine

MILESTONE RECOVERY AND SUBSIDIARIES
Consolidated Statements of Financial Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash	\$ 258,626	742,132
MaineCare receivable	75,581	20,925
Accounts receivable	1,155	9,303
Third party receivables, net	37,572	96,151
Grants receivable	242,168	133,167
Prepaid expenses	38,888	52,345
Total current assets	653,990	1,054,023
Property and equipment:		
Buildings and improvements	3,223,864	2,812,528
Land	191,600	191,600
Furniture and equipment	286,031	241,727
	3,701,495	3,245,855
Less accumulated depreciation	(1,423,589)	(1,302,451)
Net property and equipment	2,277,906	1,943,404
Total assets	\$ 2,931,896	2,997,427
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 57,740	39,460
Accrued payroll and benefits	65,463	55,009
Other accrued expenses	35,930	17,194
Deferred revenue	22,389	6,500
Line of credit	57,116	60,000
Current portion of long-term debt	42,000	40,300
Total current liabilities	280,638	218,463
Long-term liabilities:		
Long-term debt, net of current portion and unamortized loan issuance costs	1,139,355	1,180,635
Forgivable debt	279,825	279,825
Total long-term liabilities	1,419,180	1,460,460
Total liabilities	1,699,818	1,678,923
Net assets:		
Without donor restrictions:		
Undesignated	275,300	294,522
Investment in property and equipment	816,726	442,644
Total without donor restrictions	1,092,026	737,166
With donor restrictions	140,052	581,338
Total net assets	1,232,078	1,318,504
Total liabilities and net assets	\$ 2,931,896	2,997,427

See accompanying notes to financial statements.

MILESTONE RECOVERY AND SUBSIDIARIES
Consolidated Statements of Activities
For the Years Ended June 30, 2019 and 2018

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue and support:						
MaineCare	\$ 714,081	-	714,081	490,976	-	490,976
Client fees	92,726	-	92,726	108,711	-	108,711
Private insurance	81,016	-	81,016	268,964	-	268,964
OSA Grant	1,653,619	-	1,653,619	1,388,626	-	1,388,626
City of Portland	394,019	-	394,019	397,484	-	397,484
Maine State Housing Authority	175,509	-	175,509	203,874	-	203,874
Food stamps	5,907	-	5,907	9,125	-	9,125
Contributions and grants	228,560	27,500	256,060	243,283	427,500	670,783
Special events, net of expenses of \$3,056 and \$5,106, in 2019 and 2018, respectively	13,865	-	13,865	9,643	-	9,643
Other income	20,623	-	20,623	6,950	-	6,950
Net assets released from restrictions	468,786	(468,786)	-	10,000	(10,000)	-
Total revenue and support	3,848,711	(441,286)	3,407,425	3,137,636	417,500	3,555,136
Expenses:						
Program	3,095,380	-	3,095,380	2,754,343	-	2,754,343
Management and general	333,210	-	333,210	380,537	-	380,537
Fundraising	65,261	-	65,261	59,906	-	59,906
Total expenses	3,493,851	-	3,493,851	3,194,786	-	3,194,786
Change in net assets	354,860	(441,286)	(86,426)	(57,150)	417,500	360,350
Net assets, beginning of year	737,166	581,338	1,318,504	794,316	163,838	958,154
Net assets, end of year	\$ 1,092,026	140,052	1,232,078	737,166	581,338	1,318,504

See accompanying notes to financial statements.

MILESTONE RECOVERY AND SUBSIDIARIES
Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	Program Expenses	Management and General	Fundraising	Total
Personnel expenses:				
Salaries and wages	\$ 1,786,240	228,137	52,873	2,067,250
Fringe Benefits	185,379	15,373	5,680	206,432
Payroll taxes	151,184	20,784	3,711	175,679
Total personnel expenses	2,122,803	264,294	62,264	2,449,361
Other expenses:				
Consulted and contracted services	171,811	3,804	-	175,615
Supplies	139,986	12,814	2,997	155,797
Service provider tax	40,462	-	-	40,462
Utilities	92,283	9,429	-	101,712
Food	57,566	5,150	-	62,716
Insurance	53,384	5,930	-	59,314
Maintenance	53,713	1,408	-	55,121
Travel	30,973	4,776	-	35,749
Miscellaneous	21,433	9,029	-	30,462
Training	18,797	3,056	-	21,853
Membership and dues	463	5,989	-	6,452
Telephone	17,733	529	-	18,262
Equipment rental and repair	13,733	7,002	-	20,735
Interest expense	61,181	-	-	61,181
Bad debt expense	74,657	-	-	74,657
Depreciation expense	124,402	-	-	124,402
Total expenses	\$ 3,095,380	333,210	65,261	3,493,851

See accompanying notes to financial statements.

MILESTONE RECOVERY AND SUBSIDIARIES
Consolidated Statement of Functional Expenses
Year Ended June 30, 2018

	Program Expenses	Management and General	Fundraising	Total
Personnel expenses:				
Salaries and wages	\$ 1,593,094	266,435	45,915	1,905,444
Fringe Benefits	190,075	14,788	4,800	209,663
Payroll taxes	133,551	19,866	3,499	156,916
Total personnel expenses	1,916,720	301,089	54,214	2,272,023
Other expenses:				
Consulted and contracted services	147,165	4,018	-	151,183
Supplies	100,370	14,064	5,692	120,126
Service provider tax	27,797	-	-	27,797
Utilities	79,132	7,965	-	87,097
Food	46,316	6,236	-	52,552
Insurance	35,899	15,945	-	51,844
Maintenance	42,915	181	-	43,096
Travel	31,959	9,799	-	41,758
Miscellaneous	27,980	3,128	-	31,108
Training	15,130	3,981	-	19,111
Membership and dues	461	6,551	-	7,012
Telephone	15,119	1,080	-	16,199
Equipment rental and repair	9,827	6,500	-	16,327
Interest expense	41,770	-	-	41,770
Bad debt expense	104,147	-	-	104,147
Depreciation expense	111,636	-	-	111,636
Total expenses	\$ 2,754,343	380,537	59,906	3,194,786

See accompanying notes to financial statements.

MILESTONE RECOVERY AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (86,426)	360,350
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	124,402	111,636
Bad Debt Expense	73,648	87,986
Change in allowance for doubtful accounts	1,009	16,161
Loss on disposal of assets	-	7,252
Gifts received for long-term purposes	-	(400,000)
(Increase) decrease in:		
MaineCare receivable	(54,656)	18,902
Accounts receivable	8,148	8,377
Third party receivable	(16,078)	(143,903)
Grants receivable	(109,001)	85,485
Prepaid expenses	13,457	(33,044)
Increase (decrease) in:		
MaineCare payable	-	(4,065)
Accounts Payable	18,280	(33,113)
Accrued payroll and benefits	10,454	(8,498)
Other accrued expenses	18,736	17,194
Deferred revenue	15,889	2,000
Net cash provided by operating activities	17,862	92,720
Cash flows from investing activities:		
Purchase of property and equipment	(458,904)	(48,349)
Net cash used in investing activities	(458,904)	(48,349)
Cash flows from financing activities:		
Principal payments on long-term debt	(39,580)	(87,835)
Proceeds received from the issuance of long-term debt	-	61,336
Net (payments) borrowings on line of credit	(2,884)	60,000
Gifts received for long-term purposes	-	400,000
Net cash provided by (used in) financing activities	(42,464)	433,501
Net change in cash	(483,506)	477,872
Cash, beginning of year	742,132	264,260
Cash, end of year	\$ 258,626	742,132
Supplemental disclosure:		
Cash paid for interest	\$ 61,181	41,770
Non-cash disclosure item:		
Short-term debt converted to long-term	\$ -	627,056

See accompanying notes to financial statements.

MILESTONE RECOVERY AND SUBSIDIARIES

Notes to Financial Statements

June 30, 2019 and 2018

NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization - Milestone Recovery and Subsidiaries (the Organization) (a not-for-profit organization), provides care for recovering alcoholics on a resident basis at its facility in Old Orchard Beach, and through a detox and shelter program in Portland. The Organization is supported primarily through the Office of Substance Abuse and Medicaid.

The consolidated financial statements include the accounts of MAHC, Inc., which holds land and buildings that Milestone Recovery rents to perform their services. Milestone Recovery and MAHC, Inc. have a common board of directors and management. All significant inter-organization transactions were eliminated in consolidation.

In May 2018, the Organization formed a separate legal entity, pursuant to *31 MRSA 1611*, that is designated as a low-profit limited liability company. The legal name of the entity is MR Realty Holdings L3C, and Milestone Recovery is the sole member. MR Realty Holdings L3C was formed for the purpose of holding real estate on behalf of Milestone Recovery, while also limiting liability for Milestone Recovery.

Change in Accounting Principle - During the year, the Organization adopted the provisions of FASB Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Basis of Accounting - The consolidated financial statements are prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

MILESTONE RECOVERY AND SUBSIDIARIES
Notes to Financial Statements, Continued
June 30, 2019 and 2018

NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Presentation - The consolidated financial statement presentation follows the provisions of FASB ASC 958-605 *Revenue Recognition-Contributions* and FASB ASC 958-205 *Presentation of Financial Statements*. Under these provisions, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. They are available for the support of program or any other purpose at the discretion of the Organization.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions that are temporary in nature are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from restrictions. These net assets may also include funds that are subject to legal restrictions, such as the unappropriated appreciation of donor-restricted endowment funds.

Property and Equipment - All acquisitions of property and equipment in excess of \$750 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Building	39 years
Leasehold improvements	5-20 years
Computers	5 years
Vehicles and equipment	5 years
Office furniture	5 years

Revenue and Expense Recognition - Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions that are temporary in nature on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets. Revenue from grants are recognized either periodically or as services are rendered, depending on the specifications of the individual grant.

MILESTONE RECOVERY AND SUBSIDIARIES
Notes to Financial Statements, Continued
June 30, 2019 and 2018

NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income. In 2019 and 2018, the Organization did not conduct any unrelated business activities.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state taxing authorities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Cash and Cash Equivalents - For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with initial maturity of three months or less when purchased to be cash equivalents.

Receivables - The Organization primarily operates in the Portland, Maine area and receives various governmental grants and contracts to provide services in the area. All accounts receivable and MaineCare receivable balances are considered fully collectible, therefore an allowance for doubtful accounts is not considered necessary.

Allocation of Expenses - The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting activities benefited.

Reclassifications - During 2019, certain prior year balances were reclassified to conform to the current year presentation. Such reclassifications had no effect on the results of operations as previously reported.

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.

New Accounting Pronouncements - In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)*. Under ASU 2016-02, at the commencement of a long-term lease (greater than 12 months), the lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. The ASU will be effective for the Organization on July 1, 2020, though early adoption is permitted. Application of this standard must be applied using a modified retrospective transition approach for leases existing at the earliest comparative period presented in the financial statements. The Organization is currently evaluating the impact of this pending ASU on the financial statements, but does not expect significant changes as a result of its adoption. Recently, the FASB issued proposed accounting standards update No. 2019-750, which if passed would delay the implementation date of ASU 2016-02 for one year. The revised effective date for nonprofit organizations would be for fiscal years beginning after December 15, 2020.

MILESTONE RECOVERY AND SUBSIDIARIES
Notes to Financial Statements, Continued
June 30, 2019 and 2018

CONCENTRATION OF CREDIT RISK

The Organization maintains accounts at various financial institutions. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization had uninsured cash amounting to \$36,054 and \$440,678 at June 30, 2019 and 2018, respectively.

CONCENTRATION OF REVENUE

For the years ended June 30, 2019 and 2018, approximately 48% and 39% of the Organization's annual funding is provided through State of Maine Office of Substance Abuse and Department of Health and Human Services pass-through grant awards. Any significant reduction in this funding could affect the Organization's ability to fulfill its mission.

For the years ended June 30, 2019 and 2018, the Organization derived approximately 24% and 17% of its revenues from the State of Maine MaineCare program. MaineCare revenue and client fees are recorded at established billing rates.

DONATED SERVICES AND GOODS

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in providing support to the clients it serves. The value of these nonprofessional, donated services is not reflected in the accompanying financial statements as these services do not meet the criteria outlined in FASC 958-605 Revenue Recognition-Contributions, and cannot be estimated.

THIRD PARTY RECEIVABLE

Third party receivables consist of amounts billed to individual patient's private insurance companies for services provided. Amounts due are net of an allowance for doubtful accounts based on historical collection rates, and consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Third party receivables	\$ 66,578	124,148
<u>Less: allowance for doubtful accounts</u>	<u>(29,006)</u>	<u>(27,997)</u>
<u>Total third party receivables, net</u>	<u>\$ 37,572</u>	<u>96,151</u>

MILESTONE RECOVERY AND SUBSIDIARIES
Notes to Financial Statements, Continued
June 30, 2019 and 2018

GRANTS RECEIVABLE

Following is a summary of grants receivable at June 30:

	<u>2019</u>	<u>2018</u>
Maine State Housing Authority	\$ 52,163	51,329
City of Portland	53,113	61,838
Portland Oxford Street	2,083	-
Davis Foundation	-	10,000
Narragansett Number One Foundation	-	10,000
State of Maine DHHS	134,809	-
Total grants receivable	\$ 242,168	133,167

FORGIVABLE DEBT

On August 6, 2002, the Organization executed a forgivable promissory note with the Maine State Housing Authority (MSHA) in the amount of \$279,825 for the building located at 28 Portland Avenue, Old Orchard Beach, Maine. The note shall be forgiven automatically and without further action by MSHA 30 years from the date of the note, provided the Organization remains in compliance with the terms provided in the note.

LONG-TERM DEBT

Following is a summary of long-term debt at June 30:

	<u>2019</u>	<u>2018</u>
Loan payable to bank, amortized over 10 years based on a 20 year amortization schedule, with monthly principal and interest payments of \$7,857, maturing in March 2028, with balloon payment due for all principal and accrued interest not yet paid. Interest is fixed at 4.39% until March 2023, at that time interest will be adjusted to the Federal Home Loan Bank of Boston Rate plus 2.25%. Loan is secured by real property and assignment of rents.	<u>\$ 1,195,092</u>	<u>1,236,257</u>
	1,195,092	1,236,257
Less: unamortized debt issuance costs	(13,737)	(15,322)
Less: current portion	(42,000)	(40,300)
Total long-term debt, net of current portion, and debt issuance costs	\$ 1,139,355	1,180,635

As part of issuing the loan payable to bank, debt issuance costs were incurred and amounted to \$15,850. In accordance with *FASB ASC 830-30 Interest*, such costs are presented as a direct reduction to the carrying value of the notes payable, net of accumulated amortization of \$2,113 and \$528 at June 30, 2019 and 2018, respectively.

MILESTONE RECOVERY AND SUBSIDIARIES
Notes to Financial Statements, Continued
June 30, 2019 and 2018

LONG-TERM DEBT, CONTINUED

The following summarizes the Organization's debt maturity for the years ending June 30:

2020	\$ 42,000
2021	44,000
2022	46,000
2023	48,100
2024	50,200
Thereafter	964,792
Total	<u>\$ 1,195,092</u>

OBLIGATION UNDER OPERATING LEASES

The Organization holds a number of non-cancelable operating leases for certain office equipment. The agreements call for monthly rental payments ranging from \$117 to \$273, with terms from 36 – 60 months. During the years ended June 30, 2019 and 2018, total lease and maintenance expense incurred relating to these agreements amounted to \$7,389 and \$9,488, respectively.

The future minimum lease payments are as follows for the years ending June 30:

2020	\$ 5,121
2021	1,743
Total	<u>\$ 6,864</u>

LINE OF CREDIT

During 2018, the Organization entered into a working capital line of credit with a financial institution for a maximum borrowing limit of \$150,000. Interest is payable monthly on all outstanding advances at a rate equal to Wall Street Journal Prime rate (5.5% and 5.0% at June 30, 2019 and 2018, respectively) with entire principal balance due at the time of maturity. The line of credit is subject to an annual 30-day clearance requirement, and is secured by real estate of the Organization. The total outstanding balance due on the line of credit amounted to \$57,116 and \$60,000 at June 30, 2019 and 2018, respectively. The line of credit has been renewed through December 31, 2019.

CONTINGENCIES

On December 30, 1999, the City of Portland sold land located at 65 India Street, Portland, Maine to the Organization for \$1.00. The purchase agreement states that in the event that the Organization sells, assigns, or otherwise transfers the property, except for if the buyer continues to operate the property as a detoxification and emergency shelter for alcoholics and drug abusers, or if the Organization seeks to reinvest the sales proceeds from the sale of the property into a facility providing such services in the City of Portland, the Organization is responsible for paying the City of Portland the sum of the book value of the property as of the date of transfer of the property by the City of Portland to the Organization, which is established as \$176,130, plus an increase of 3% for each year the property has been owned by the Organization. The estimated value of this contingent liability is \$308,845 and \$299,900 for the years ended June 30, 2019 and 2018, respectively.

MILESTONE RECOVERY AND SUBSIDIARIES
Notes to Financial Statements, Continued
June 30, 2019 and 2018

CONTINGENCIES, CONTINUED

On June 2, 2002, the Organization executed a grant agreement with the United States Department of Housing and Urban Development (HUD) in the amount of \$250,000 to support the Carriage House located at 24 Portland Avenue, Old Orchard Beach, Maine. The grant agreement states that if the Organization wishes to sell or otherwise dispose of the assisted real property, they must request and receive written approval from HUD. Additionally, the agreement states that if the project ceases to be used as supportive housing within ten years after the project is placed in service, the Organization shall be obligated to repay HUD 100% of the assistance received under the agreement. If the project is used as supportive housing for more than ten years, HUD shall reduce the percentage of the amount required to be repaid by 10% for each year in excess of the ten years that the project is used as supportive housing. The estimated value of this contingent liability is \$75,000 and \$100,000 for the years ended June 30, 2019 and 2018, respectively.

The Organization participates in various intergovernmental grant programs that may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Organization's compliance with applicable grant requirements may be established at some future date. As of June 30, 2019, the Organization was in the process of appealing a decision received during the year from the State of Maine DHHS division of audit (the Department) in relation to agreement OSA-16-320. The Department's decision stated that the agreement closeout report was prepared incorrectly, and the results of their adjustments indicate a balance due back to the Department in the amount of \$43,250. Subsequent to year end, in August 2019, a final decision was made, and the final amount due back to the Department was reduced to \$38,123.

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES

Net assets with donor restrictions consisted of the following at June 30:

Subject to appropriation or expenditure when a specified event or time occurs:

	<u>2019</u>	<u>2018</u>
Capital improvements	\$ 112,552	153,838
Davis Family Foundation	-	10,000
Next Gen – Women's recovery house	-	400,000
Nine Wicket – Women's recovery house furniture	-	7,500
Narragansett – emergency shelter grant	12,500	10,000
John T. Gorman – H.O.M.E. Team	15,000	-
Totals	\$ 140,052	581,338

RETIREMENT PLAN

The Organization has established a Savings Incentive Match Plan for employees. Employees can contribute to the plan via weekly payroll deductions. Milestone contributes 3% of the employee's salary to eligible employee's plans. Retirement plan expense for the years ended June 30, 2019 and 2018 amounted to \$27,996 and \$27,019, respectively.

MILESTONE RECOVERY AND SUBSIDIARIES
Notes to Financial Statements, Continued
June 30, 2019 and 2018

LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure:

Cash	\$ 258,626
Accounts receivable, net	1,155
Total	\$ 259,781

Included in cash is \$27,500 that is restricted for the emergency shelter and H.O.M.E. Team. None of the other financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As more fully described in the "Line of Credit" note, the Organization has one committed line of credit in the amount of \$150,000 which it could draw upon in the event of an unanticipated liquidity need. The outstanding balance on this line of credit was \$57,116 and \$60,000 at June 30, 2019 and 2018, respectively.

METHOD USED FOR ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses are allocated based on hours worked and were applied using the following percentages:

	<u>Detox / Counseling</u>	<u>Shelter</u>	<u>Home Team</u>	<u>OOB</u>	<u>Management and general</u>	<u>Fundraising</u>
Utilities	50%	31%	2%	0%	17%	0%
Accounting	40%	25%	10%	25%	0%	0%
Legal	25%	25%	25%	25%	0%	0%
Medical director	98%	0%	0%	2%	0%	0%
Payroll expenses	33%	28%	9%	15%	15%	0%
Rent	50%	20%	2%	17%	11%	0%
Food	38%	32%	0%	0%	30%	0%

SUBSEQUENT EVENTS

In accordance with FASC 855-10 *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through December 10, 2019, which is the date these financial statements were available to be issued.

Subsequent to year end, the Department's decision on the Organization's appeal was finalized. The final amount that the Organization owes back to the Department is \$38,123.

MILESTONE RECOVERY BOARD OF DIRECTORS

NAME	CITY	EMPLOYMENT/AFFILIATION	MEMBER SINCE
Mike Miles <i>President</i>	Westbrook, ME 04092	Your Human Resource, HR consultant	April 2015
Tom Ranello <i>Vice President</i>	Scarborough, ME 04074	RE/MAX Shoreline Realtor	January 1997
Maxwell Bangs <i>Treasurer</i>	Westbrook, ME 04092	Bangor Savings Bank Vice President/Branch Manager	September 2018
John Branson <i>Secretary</i>	Portland , ME 04101	Branson Law Offices, President	April 2015
Ryan Ciriello	South Portland, ME 04106	Martin's Point Heath Care, Business Intelligence Analyst	March 2016
Sylvia Dion	Westbrook, ME 04092	Senior Compliance Manager, Unum	September 2019
Tony DiSotto	Scarborough, ME 04074	KeyBank, Vice President	March 2015
Marc Foster	Portland, ME 04102	Vitalius Real Estate, Associate Broker	December 2017
Terry Hayes	Buckfield, ME 04220	Director of Workforce Development, Hospitality Maine	March 2019
John Kilbride	Portland, ME 04102	Chief of Police, Falmouth Police Department	March 2019
Bob MacKenzie	Kennebunk, ME 04043	Chief of Police, Kennebunk Police Department	March 2019
Barbara Merrill	Arlington, VA 22202	Chief Executive Officer - Anerican Network of Community Options & Resources	September 2019
Tom Ptacek	Portland, ME 04101	Preble Street, Advocacy Outreach Community Organizer	August 2015
Bridget Rauscher	South Portland, ME 04106	Substance Use Pevention Program Coordinator, City of Portland	March 2019

2020-2021 CDBG-CV Applicants

Type	Organization	Program/ Project	Request
Food Assistance	Wayside Food Programs	Agency Wide COVID Response	\$30,000.00
Food Assistance	Preble Street	Food Programs	\$60,000.00
Food Assistance	Amistad	Food Assistance for Displaced Portlanders	\$120,000.00
Homeless Prevention	Through These Doors	Emergency Shelter for Victims of Domestic Violence	\$27,500.00
Homeless Prevention	Milestone	Emergency Shelter	\$20,000.00

Food Assistance Total: \$210,000.00

Non-Profit Shelter Assistance Total: \$47,500.00

All Applicants Total: \$257,500.00

Food Assistance Funds Available \$175,000.00

Non-Profit Shelter Assistance Funds Available \$20,000.00

Total Funds Available: \$195,000.00

Difference from request & estimated budget

Food Assistance \$35,000.00

Non-Profit Shelter Assistance \$27,500.00

Food Assistance	Wayside Food Programs	
Category	Max Points	Score
Project Description	15	
Need for the project and CDBG-CV Funds	35	
Project Management	10	
Readiness to Process	20	
Project Budget	10	
Partnership/Collaboration	10	
TOTAL		0

Food Assistance	Preble Street	
Category	Max Points	Score
Project Description	15	
Need for the project and CDBG-CV Funds	35	
Project Management	10	
Readiness to Process	20	
Project Budget	10	
Partnership/Collaboration	10	
TOTAL		0

Food Assistance	Amistad	
Category	Max Points	Score
Project Description	15	
Need for the project and CDBG-CV Funds	35	
Project Management	10	
Readiness to Process	20	
Project Budget	10	
Partnership/Collaboration	10	
TOTAL		0

Homeless Prevention Non-Profit Assistance	Through These Doors	
Category	Max Points	Score
Project Description	15	
Need for the project and CDBG-CV Funds	35	
Project Management	10	
Readiness to Process	20	
Project Budget	10	
Partnership/Collaboration	10	
TOTAL		0

Homeless Prevention Non-Profit Assistance	Milestone	
Category	Max Points	Score
Project Description	15	
Need for the project and CDBG-CV Funds	35	
Project Management	10	
Readiness to Process	20	
Project Budget	10	
Partnership/Collaboration	10	
TOTAL		0

