



ANNUAL REPORT 2017



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DEAR FRIENDS:

For over 25 years, ACCT has been providing affordable homes from Orwell to Starksboro—and nearly every town in between. We've striven to preserve affordable communities like mobile home parks throughout the county, while creating new high-quality opportunities such as the net-zero apartments at McKnight Lane in Waltham and Energy Star single-family homes at Cottage Lane in Middlebury. All told, we are now providing affordable homes for over 600 Addison County families and individuals.

At ACCT, we believe "It all starts with a home!"

Over the years, we've gone through some pretty big changes. Originally founded in 1989 to preserve land for mobile home parks and single-family homes, in 2005 we began developing multifamily properties as well. Since then, we have developed or renovated over 150 apartments. 2017 marked the third year we've turned to the community for fundraising support as federal dollars have become more scarce. We have more work to do: Addison County still has a shortage of affordable housing, with 44% of renters and 32% of owner households paying more than they can afford to keep a roof over their heads.

Looking Ahead

ACCT will continue to focus on sustainably managing our county's precious housing resources so they can provide affordable homes for generations to come. To that end, in 2018, we will be renovating 16 low-income senior apartments at Pleasant Hills in Bristol. We will also continue to address the lack of affordable housing through developing new multifamily properties as well as providing down-payment grants for single-family shared-equity homes that will stay perpetually affordable.

We look forward to building for the future in partnership with you. It all starts with a home. In friendship,

Elise Shanbacker

Elise Shanbacker
Executive Director

John Tenny

John Tenny
Board President

MEET OUR RESIDENTS

Emily: “I Feel Safe”

Emily was the victim of domestic violence in Tennessee. While pregnant, she stayed in a domestic violence shelter before moving to Vermont in December 2016. Once in Vermont, she found temporary shelter with John Graham Housing and Services. This past fall, Emily received



the good news she would be receiving a Rapid Rehousing Voucher and was able to use it in December 2017 to move into an apartment at Peter Coe Village Apartments in Middlebury.

Question: How has your life changed now that you have found permanent housing?

Answer: “I feel calm. I can breathe, and for the first time since I can even remember, I feel safe.” Emily has been told there will be an opening for her youngest daughter to attend a child care center when she is about one year old. At that point she is excited to get a job and create a happy future with her two children.

“I feel calm. I can breathe, and for the first time since I can even remember, I feel safe.”

Question: What would you like the community to know about affordable housing programs?

Answer: “I think affordable housing is great! There are so many people out there even worse off than I was who still need a home. It’s a struggle every day making sure your kids have everything they need; that’s why these programs are so important—they change lives!”

Danielle: “Stability and Security”



Danielle came to Vermont with her daughter Savannah in order to live with her aunt, who like Danielle was in recovery. She only intended to stay for a month, but fell in love with Vermont and decided to stay; however, by October she and Savannah needed a new place to live since her aunt’s basement was unheated. They moved into the Charter House,

where they were able to get a voucher through the Vermont Rental Subsidy program, and graduated to permanent housing at Creekview Apartments in Vergennes.

Question: How has your life changed now that you have found permanent housing?

Answer: “Stability and security, especially for Savannah. She knows where she lives and she’s really comfortable here; it’s her home. It’s way more than an apartment for us; it’s our home. I have finished my degree, I’m employed, and I’m getting my license back. Being able to use the bus system here has been really great. It’s been a relief—we know where we’re going to be, and it’s warm, and that’s been a really big relief.”

“It’s way more than an apartment for us; it’s our home.”

Question: What would you like the community to know about affordable housing?

Answer: “For people who are trying to do this process, it is never impossible. If you’ve been in this situation and it’s seems like you keep getting denied, there is always a possibility if you are willing to do the work. You can always show that your life has changed, that things have changed, and it’s possible to be a part of these programs. The other thing is, not everyone can start at the top—not everyone comes into this world with financial means or a family who is willing or able to help them. Having the ability to have my own place opens my ability to do that for other people, like with the job that I’m in, and that has been a lifesaver.”

Larry: SASH “Keeps Me in Good Shape”

ACCT operates “Support and Services at Home” (SASH) in Bristol, Vergennes, and the Shoreham/Orwell area. The program serves approximately 200 area seniors like Larry (featured below) who benefit from on-site staff to help them age safely at home, resulting in fewer trips to the hospital and better health outcomes.

Larry has always been a proud and independent man. But when health issues made it too risky for him to enjoy simple pleasures, such as cooking meals and cheering on local sports teams, finding support was essential. Larry’s diabetes and struggles with insulin reporting led to dangerously high glucose levels. He also experienced infections, nerve damage,



Larry Carlson, SASH Participant and Diana Rule, SASH Coordinator

and severe swelling in his legs causing frequent falls and injuries. Larry shared he used to worry every minute about not knowing who, or even if, someone would arrive at his home to help with meals and health care. Before Larry’s situation became overwhelming, SASH Coordinator, Diana, and the Vergennes SASH Team stepped in and provided comprehensive solutions to empower and support Larry. Diana checked in with Larry often and reported how he was doing to the team. Larry was encouraged to take diabetes classes at the hospital, bring his insulin records with him to doctor visits, and have Andrea, his SASH Wellness Nurse, help him track and report insulin levels. Diana reduced fall risks in Larry’s home and found a donated wheelchair so he could safely leave his apartment. The SASH team found Larry a Senior Companion volunteer to accompany him to SASH and community events, as well as cook nutritious dinners for him. Larry was also signed up for Meals on Wheels so he would receive a nutritious lunch each day. Larry is grateful for the SASH Team. He shared, “When Diana calls the doctor’s office with concerns or questions it means something and she gets answers. ***If I didn’t have SASH I would not be in good shape. I would be in the hospital a lot more.***” Larry now regularly manages his diabetes and glucose levels. His ankles are noticeably less swollen and monitored often to ensure the infections have not returned.

Josie: Shared Equity Homeownership was “Perfect for My Family”



“Before I entered the homeownership program my daughter and I were living in a bedroom in my parent's basement. We had moved in with them when she was born in 2015. As a single mom, their support and guidance was invaluable to me. It also gave me the opportunity to build up my savings again which had been depleted getting my Master's degree. After a couple of years I was ready to find my own place- I met with a mortgage counselor at my bank and she explained to me that the cost of home ownership was far greater than I realized. When you took into account taxes, insurance, and closing costs, I didn't have nearly enough saved to really afford my own home. I felt discouraged but took her advice and starting putting away the estimated cost of a mortgage every month- to find out if I could at least afford that part. Another year passed and I kept an eye open for things that seemed in my price range but the options seemed very limited in this area. I happened to be looking at the Addison Independent one day and I saw an advertisement for a house in Middlebury listed by the Addison County Community Trust. I knew right away it would be perfect for my family and it was in my price range. I contacted Mary and the rest is history! We are really happy in our new home. It's safe, comfortable, close to town and a quiet friendly neighborhood. I asked my 3-year old what she likes about her new house- she says "it's good, I like my room.”

I would never have been able to afford a home without the assistance of the Trust, even as a career professional working full time. That's just the reality of life in America today. I think there's a stigma attached to getting assistance for things like buying a house. People think it means you haven't worked hard enough or that you're "getting something for nothing." But it can be a leg up for anyone who just needs some extra help to get where they want to be. Buying a home through the trust carries all the same responsibilities as going a more traditional route. You still have to budget carefully and plan for the future. You still need to pay attention to your credit and save. ***But I encourage anyone to go this route- it's made a huge and positive impact in our lives.”***

OUR COMMUNITIES

ACCT owns, manages, and/or stewards nine mobile home parks, 12 multifamily rental properties, and 75 shared-equity single family homes. In 2017...

...McKnight Lane celebrated its first full year of providing affordable homes to 14 families, including 10 children and 19 adults...



...Including Alexis and her daughter, below. Alexis works at Valley Vista Rehab and is a part-time cheerleading coach at Vergennes Union High School.

Additionally, in partnership with Housing Vermont, ACCT began preparing to renovate Pleasant Hills in Bristol, a 16-unit apartment building constructed in 1980 that provides affordable homes for low-income seniors.



ACCT plans to break ground on the Pleasant Hills renovation in Summer 2018. Next up, we hope to build 20-25 new units at Armory Lane in Vergennes, which will be family housing with units affordable to middle-income Vermonters as well as our most vulnerable residents of Addison County.

OUR IMPACT

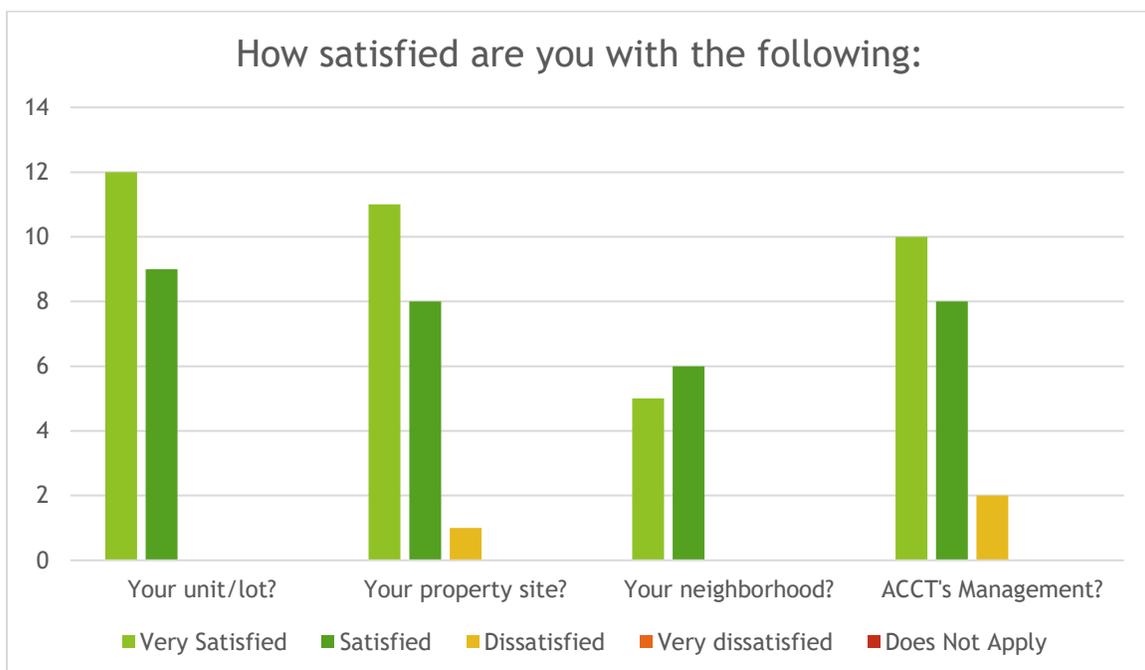
ACCT strives to enrich the lives of low- and moderate-income Vermonters by providing safe, quality, affordable homes and other supports residents may need to stay successfully housed.

In 2017, ACCT focused on meeting the statewide goal of dedicating 15% of publicly funded affordable housing units to individuals and families who have struggled with homelessness. At the end of the year, at least 16.3% of ACCT's apartments were serving formerly homeless households. In fact, about one-third of the families who became ACCT residents in 2017 were formerly homeless.

In 2017, 60 new families found homes with ACCT, including:

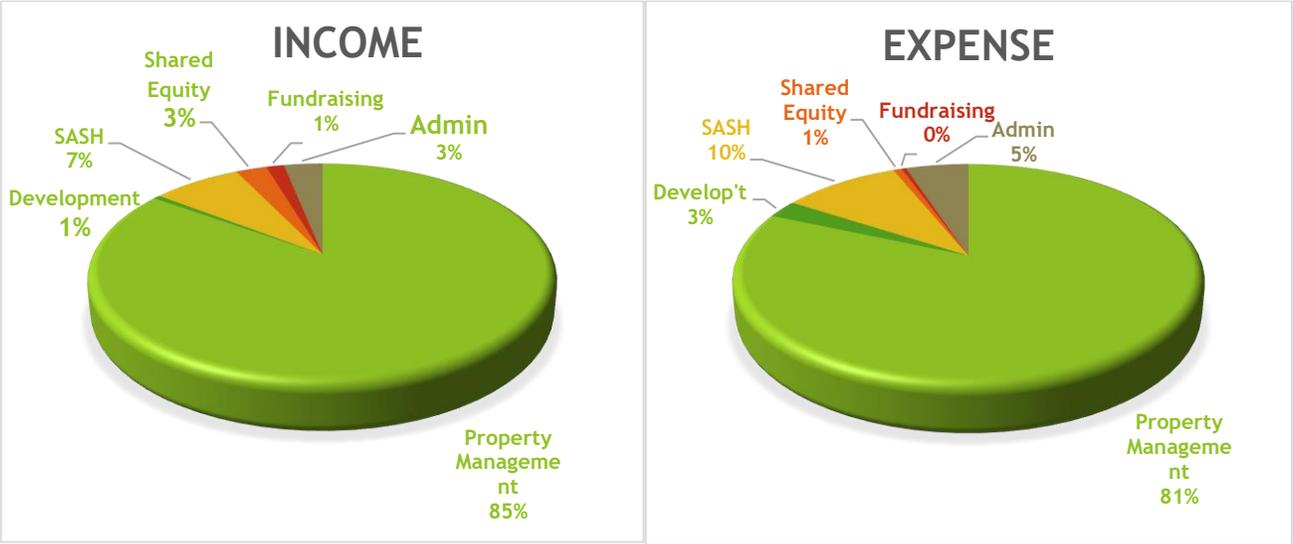
- 35 who moved into an ACCT apartment;
- 19 who moved into a mobile home in one of ACCT's parks; and
- 6 who purchased a perpetually affordable home through ACCT's shared equity program.

ACCT also measures our success by how well we are meeting the expectations of our residents. In 2017, we surveyed three properties on topics from safety to maintenance and resolving resident issues. Overall resident satisfaction with ACCT housing was high.



FINANCIAL SUMMARY BY SOURCE

ACCT is a \$2.3 million organization. This includes both our operating budget of just over \$1 million, as well as separate budgets for nine wholly owned mobile home parks and one wholly owned apartment building. The following charts are based on internally produced financial statements, and show functional income and expenses for the organization. In 2017, ACCT showed a net profit of \$22,712 before depreciation and write downs of asset values (see notes to financial statements, p. 12).



Total Income: \$2,353,324

Total Expense: \$2,330,611



FINANCIAL SUMMARY: OPERATIONS

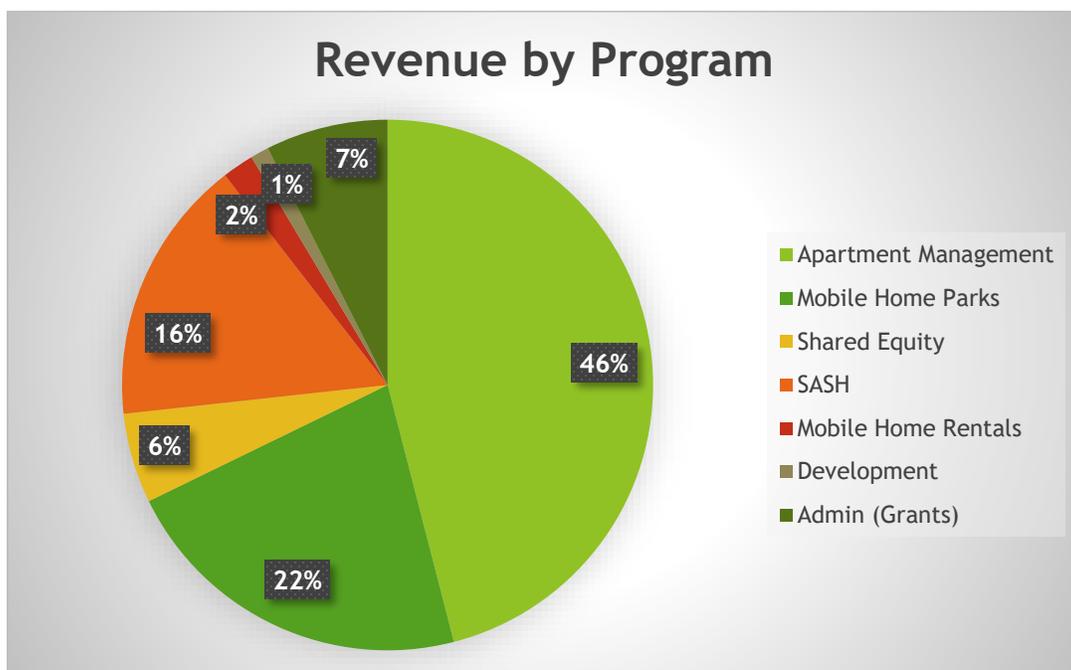
ACCT's operations budget (a subset of All Funds shown on the previous page) experienced a net profit of \$20,776 in 2017. Unrealized development fees were offset by staff

vacancies. Development fees typically make up about 15% of ACCT's operating budget, but in 2017, that figure was only one percent.

Quick Facts:

- *Budget: \$2.3M*
- *Wholly owned assets: \$10M*
- *Total value of assets under management: \$45M*

The chart below shows ACCT's 2017 operating revenue by program area. Apartment Management revenue is derived from fees from the various multifamily apartment buildings ACCT manages. Each mobile home park, while wholly owned by ACCT, also pays a management fee to ACCT's Operating fund. Shared equity revenue derives from monthly stewardship fees paid by owners in the program, as well as fees from resales of homes in the program. SASH is a federal reimbursement via Vermont's all-payer waiver. Development fees come from new real estate projects.



FINANCIAL STATEMENTS

Statement of Financial Position

Assets		Liabilities And Net Assets	
	2017		2017
Current Assets		Current Liabilities	
Cash-Unrestricted	224,196.71	Accounts Payable	121,577.70
Rents Receivable	25,551.04	Accrued Interest & Expenses	35,947.78
Notes/Grants Receivable	546,233.25	Prepaid Rents	21,647.55
Other Receivables	113,817.20	Current Portion of Long Term Debt	319,000.00
Prepaid Expenses	42,392.69	Total Current Liabilities	498,173.03
Total Current Assets	952,190.89		
Restricted Cash		Long-Term Liabilities	
Replacement Reserves	240,346.82	Security Deposits & Accrued Int.	70,255.93
Tenant Security Deposits	71,209.62	Long-Term Debt	5,813,414.21
Other Savings Accounts	113,236.81	Total Long-Term Debt	5,883,670.14
Total Restricted Cash	424,793.25		
Property and Equipment		Net Assets	
MHP's and Improvements	8,968,877.90	Change in Net Assets	(495,647.32)
Building/Land and Improvements	1,686,859.20	Net Assets at Beginning of Year	3,630,687.83
Equipment	86,012.68	Capital Contributions	741,512.57
Sub-Total	10,741,749.78	Net Assets At End Of Year	3,876,553.08
Less: Accumulated Depreciation	2,064,487.80		
Net Property and Equipment	8,677,261.98	Total Liabilities And Net Assets	10,258,396.25
Other Assets			
Investment in Subsidiary	160,868.00		
Other	43,282.13		
Total Other Assets	204,150.13		
Total Assets	10,258,396.25		

Statement of Activities

INCOME		EXPENSE	
Property Management	1,999,105.81	Property Management	1,900,492.40
Development	11,732.95	Development	59,842.28
SASH	173,222.12	SASH	226,121.21
Shared Equity	60,202.38	Shared Equity	16,330.02
Fundraising	34,232.98	Fundraising	8,393.39
Admin	74,827.81	Admin	119,431.95
Total	2,353,324.05	Total	2,330,611.25
Profit (Loss)	22,712.80		

NOTES TO FINANCIAL STATEMENTS

Overview

ACCT has presented internal financials in this annual report, as ACCT audited statements include several large items that distort income and expenses, such as depreciation, other reductions in various asset values, a large receivable from a development project, and one Limited Partnership in which ACCT is the sole member (McKnight Lane; the other partnerships ACCT owns and/or manages do not show up on ACCT's financials as ACCT does not have a controlling interest). A few key transactions that affect ACCT's audited statements are explained in more detail below.

51 Seymour St

ACCT sold 51 Seymour street to Habitat for Humanity so it can be converted back to affordable ownership housing. No cash was involved, but the transaction resulted in a write down of soft debt in the amount of \$146,559.45.

Several non-cash items in 2017 led to a difference in ACCT's working financials and the audit.

McKnight Lane Ltd Partnership

As sole General Partner, ACCT has a controlling interest in MLLP. Therefore, this property's transactions will show up on ACCT's audited annual financial statements, though it is a separate legal entity.

294 Washington St

ACCT purchased this property prior to a change in wetland regulation that limited its potential for development. Based on a new appraisal in 2017, the value of this property was written down \$88,215.99.

OUR SUPPORTERS

Individual Donors

Chris Anderson
 Jack Wilcox Anderson
 Meredith Anderson
 David Andrews
 Anonymous
 Laura Asermily
 Mary Behan
 George Bellerose
 Anna Betz
 Mike Boardman
 Lynne Boie
 Julie Bourgeois
 Andrew Bouvier
 Seksan Caniyo
 Kathleen Cannon
 Peter Carothers
 Richard Catchpaw
 Chris Chamberlain
 Mal Chase
 Michael and Shirley Claudon
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 Jon Crystal
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 Stephen and Emmie Donadio
 Murray and Cecelia Dry
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 Rev. Barnaby Feder and
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 Marty Fitzpatrick
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 Ann Folger
 Robert Foster
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 Louise Giovanella
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 Nancy Malcolm
 Penelope Markle
 Tamar Mayer
 Jubilee McGill and Lawrence
 Yetnick
 Roland and Amy McGlashan
 Meaghan and Ethan McLaughlin
 Louis and Beverly Megyesi
 Paul Miller
 Jen Minns
 Melissa Nelson
 Polly Nichol
 Bill O'Meara
 Joan O'Meara
 Betsy Ouellette
 Ellen Oxfeld and Frank Nicosia
 Greg Pahl and Joy Pile
 Erika Paine
 Joe Pearl
 Ken and Carolyn Perine
 Eileen Pierce
 Ingrid Pixley
 William Porter
 Richard Provost
 Jeff and Meredith Rehbach
 Jim and Marlene Ringer
 Chris Robbins and Peter Hamlin
 Bill Roper and Barbara Ganley
 Joanne Rose
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 Lauren Ross
 Aaron Rowell
 Lisa and Dan Rowell
 Ronald Rucker
 Diana Rule
 Jen Russell
 Monica Sanchez Webb
 Brett Sargent
 Randy Sargent
 Steve Schenker
 Peter and Lucy Schumer

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Ed Shanbacker
Elise Shanbacker
Frank Shanbacker and Bruce Klinger
Dave Sharpe
Elizabeth Shaw
Joanne Shedrick
Gary Shores
Doug Sinclair
David Stachnik and Teri Herzog
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Roth Tall
John Tenny
Luther Tenny and Carey Bass
Stephen Trombulak
Nicholas Troutman
Chris and Cynthia Watters
Paul Webb
Thomas Wells
Joan Winant
Rewa Worthington
Irene and Albert Zaccor

Business and Philanthropic Donors

Bristol Financial Services
Casella Waste Systems, Inc.
Clark - Wright Septic
GE Foundation
Ingrid Punderson Jackson Real Estate
Mike Dunbar, Middlebury Fence
Middlebury Natural Foods Coop
Middlebury Rotary Club
Mill Bridge Construction

Otter Creek Bakery
R. Parker Enterprises, Inc.
Phoenix Feeds & Nutrition, Inc.
RK MILES
Silver Maple Construction
Small City Market
Thurston for Entertainment, LLC
Vermont Community Foundation

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Jon Crystal
Keith Grier
Ingrid Pixley
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Janet Heath
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Jubilee McGill
Pam Miller
Betsy Ouellette
Erika Paine
Julie Peers
Diana Rule
Elise Shanbacker

Thank You!