

CATHEDRAL SQUARE CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020

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CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Cathedral Square Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Cathedral Square Corporation, which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities and changes in net assets, 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. 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 qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 18 to the financial statements, the Corporation's financial statements do not include the statements of financial position for limited partnerships and corporations controlled by either Cathedral Square Corporation or CSC Partners Inc., a wholly owned subsidiary of Cathedral Square Corporation as of September 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. In our opinion, accounting principles generally accepted in the United States of America require that all controlled entities be consolidated.

Opinion

In our opinion, except for the effects of not consolidating all controlled entities discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Cathedral Square Corporation as of September 30, 2020, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

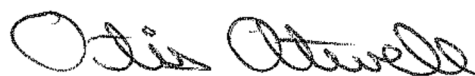
Other Matters

Other Information

Our audits were 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 audits 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021 on our consideration of Cathedral Square Corporation'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 Cathedral Square Corporation'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 Cathedral Square Corporation's internal control over financial reporting and compliance.



Certified Public Accountants

March 22, 2021
South Portland, Maine

CATHEDRAL SQUARE CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2020

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 6,071,783
Accounts Receivable	361,777
Accounts Receivable - Related Parties (Note 9)	289,351
Grants Receivable	236,134
Inventory	7,585
Prepaid Expenses	218,381
	<u>7,185,011</u>
Total Current Assets	<u>7,185,011</u>

OTHER ASSETS

Restricted Escrow Accounts (Note 6)	1,478,983
Tenant Security Deposits	160,681
Notes Receivable (Note 2)	147,804
Prepaid Expenses - Long Term	74,481
Equity Investments (Note 12)	2,759,842
Development Projects (Note 13)	382,795
	<u>5,004,586</u>
Total Other Assets	<u>5,004,586</u>

PROPERTY AND EQUIPMENT (Note 3)

Land and Improvements	1,163,005
Buildings and Improvements	14,213,559
Furniture, Fixtures and Equipment	573,089
Construction in Process	122,911
	<u>16,072,564</u>
Total	16,072,564
Less Accumulated Depreciation	<u>(3,930,216)</u>

NET PROPERTY AND EQUIPMENT 12,142,348

ENDOWMENT (Notes 10 and 11) 976,492

TOTAL ASSETS \$ 25,308,437

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

September 30, 2020

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	\$ 276,293
Fundraising Payable (Note 13)	220,834
Accrued Interest Payable	23,730
Other Accrued Liabilities	1,167,848
Tenant Security Deposit and Interest	160,681
Resident Service Deposits	20,733
Deferred Revenue	90,744
Current Portion of Long-term Debt	<u>219,035</u>
Total Current Liabilities	<u>2,179,898</u>
LONG-TERM DEBT	
Notes Payable, Net of Current Portion (Notes 3 and 17)	10,939,538
Less Deferred Loan Fees	(36,392)
Deferred Interest Payable (Note 4)	<u>2,680,222</u>
Total Long-term Debt	<u>13,583,368</u>
TOTAL LIABILITIES	<u>15,763,266</u>
NET ASSETS	
Net Assets Without Donor Restrictions	8,277,781
Net Assets With Donor Restrictions (Note 10)	<u>1,267,390</u>
TOTAL NET ASSETS	<u>9,545,171</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 25,308,437</u></u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2020

REVENUES	
Rental Revenue (Note 16)	\$ 2,652,397
State and Federal Assistance	2,004,902
Donations	51,809
Management and Related Service Fees (Note 9)	3,400,039
Development Fees (Note 9)	198,250
Client Fees	955,682
Grant Income (Note 23)	5,534,894
Investment Income	160,604
Other Income	185,840
TOTAL REVENUES	<u>15,144,417</u>
EXPENSES	
Program Services	11,543,029
Management and General	1,307,442
Fundraising	22,944
TOTAL EXPENSES	<u>12,873,415</u>
INCREASE IN NET ASSETS	2,271,002
NET ASSETS, Beginning of Year	<u>7,274,169</u>
NET ASSETS, End of Year	<u>\$ 9,545,171</u>

CHANGES IN NET ASSETS BY RESTRICTION TYPE

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	\$ 6,378,053
Total Support and Revenue	14,677,675
Net Assets Released from Restriction	95,468
Total Operating Expenses	<u>(12,873,415)</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 8,277,781</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	
NET ASSETS, WITH DONOR RESTRICTIONS, BEGINNING OF YEAR	\$ 896,116
Total Support and Revenue	466,742
Net Assets Released from Restriction	<u>(95,468)</u>
NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR	<u>\$ 1,267,390</u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2020

	Program Services				Supportive Services		Total
	Property Management	Development	SASH	Assisted Living	Management and General	Fundraising	
Payroll Costs and Benefits	\$ 3,436,946	\$ 340,131	\$ 1,956,764	\$ 2,309,599	\$ 925,558	\$ 22,224	\$ 8,991,222
Agency Call Out	-	-	-	57,108	-	-	57,108
Utilities	346,916	-	-	-	-	-	346,916
Repairs and Property Maintenance	269,521	-	-	-	-	-	269,521
Equipment and Supplies	71,157	-	57,188	48,066	-	-	176,411
Administrative	75,489	-	-	6,146	142,942	-	224,577
Employee Acquisition and Training	-	-	12,914	325	12,433	-	25,672
Marketing	6,300	-	-	-	19,587	720	26,607
Travel	-	-	12,288	2,703	11,164	-	26,155
Professional Fees	24,117	-	6,000	4,000	28,769	-	62,886
Rent	-	-	-	-	36,000	-	36,000
Vehicle	-	-	-	-	1,402	-	1,402
Resident Services	22,868	-	-	2,107	-	-	24,975
Food Services	-	-	-	162,828	-	-	162,828
Grant Expenditures	-	-	1,056,542	-	-	-	1,056,542
Nursing Services	-	-	86,465	-	-	-	86,465
Bad Debts	3,378	-	-	-	-	-	3,378
Contributions	-	-	-	-	1,500	-	1,500
Investment Expenses	-	-	-	-	6,298	-	6,298
Interest	375,932	-	-	-	-	-	375,932
Taxes and Insurance	323,616	-	-	-	-	-	323,616
Depreciation	442,640	-	-	-	10,055	-	452,695
Miscellaneous	-	-	8,990	13,985	111,734	-	134,709
Total Expenses	\$ 5,398,880	\$ 340,131	\$ 3,197,151	\$ 2,606,867	\$ 1,307,442	\$ 22,944	\$ 12,873,415

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 2,271,002
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	452,695
Amortization of Debt Issuance Costs	3,677
Unrealized Gain on Endowment Investments	(54,824)
Change in Operating Assets and Liabilities	
Accounts Receivable	(14,622)
Accounts Receivable - Related Parties	(127,374)
Grants Receivable	(76,977)
Prepaid Expenses	(119,295)
Inventory	518
Notes Receivable	15,641
Accounts Payable	(117,274)
Accounts Payable - Development	220,834
Resident Service Deposits	658
Deferred Revenue	(132,377)
Accrued Interest Payable	(735)
Accrued Expenses	403,286
Due to Related Party	(7,430)
Tenant Security Deposits	2,413
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,719,816</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Equity Investments	59
Net Reimbursements of Project Development Costs	(184,897)
Realized Gains on the Sale of Endowment Investments	(51,748)
Fees Paid from Endowment investments	6,298
Expenditures from Endowment investments	20,101
Interest and Dividends from Endowment Investments	(16,794)
Purchases of Property and Equipment	(100,507)
NET CASH USED BY INVESTING ACTIVITIES	<u>(327,488)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments of Long-term Debt	(206,850)
NET CASH USED BY FINANCING ACTIVITIES	<u>(206,850)</u>
NET INCREASE IN CASH	2,185,478
CASH AT BEGINNING OF YEAR	<u>5,525,969</u>
CASH AT END OF YEAR	<u>\$ 7,711,447</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid During the Year for:	
Interest	<u>\$ 372,990</u>
Non Cash Transactions for the Year:	
Fixed Asset Additions in Accrued Liabilities	<u>\$ 54,358</u>
Development Projects Costs funded by Accounts Payable	<u>\$ 220,834</u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - Cathedral Square Corporation (CSC) is a non-profit Corporation organized for the purpose of providing support services to the elderly, handicapped and persons with other special needs.

Basis of Consolidation - The consolidated financial statements include the accounts of CSC which consists of five programs: Management, SASH, Assisted Living, Memory Care at Allen Brook, and several rental projects. The statements also include CSC Partners Inc., a wholly owned subsidiary of CSC.

Management - Management accounts for all payroll related activities of CSC. Programs and entities are charged a fee for services rendered by the employees of CSC. In addition, management provides service to entities which are independent of CSC. These services consist of development, management, and maintenance of housing projects along with other special assistance designed to improve the quality of life of the residents of the housing projects.

Support and Services at Home (SASH) - SASH is a caring partnership connecting statewide health and long term care systems to nonprofit affordable housing providers. The program is part of the Blueprint for Health, Vermont's health care reform initiative. The program helps Vermont's most vulnerable citizens, seniors and individuals with special needs, access to care and support services they need to stay healthy while living comfortably and safely at home.

Assisted Living Operations - The Assisted Living Residence at Cathedral Square Senior Living consists of 38 units within the 108 unit building located at 3 Cathedral Square, Burlington, Vermont. Personal care services are available 24 hours a day and three meals per day are provided.

Memory Care at Allen Brook - The Corporation owns and operates a housing project that receives funding for services from Medicaid. The project consists of 14 units for tenants with dementia.

Heineberg Senior Housing - The Corporation owns and operates a housing project subsidized by the Vermont Housing Finance Agency. The project consists of 82 units that are rented to elderly low income residents.

Whitney Hill Housing - The Corporation owns and operates a housing project subsidized by the Vermont Housing Finance Agency. The project consists of 44 units that are rented to elderly low income residents.

Ruggles House - The Corporation owns and operates a housing project funded by various housing agencies. The project consists of 15 units that are rented to elderly low income residents.

CSC McAuley - The Corporation owns and operates a housing project funded by various housing agencies. The project consists of 74 units that are rented to elderly low income residents.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

Method of Accounting - The financial statements of the Corporation are prepared on the accrual basis of accounting.

Intercompany Transactions - All significant intercompany transactions and balances are eliminated in consolidation.

Income Taxes - No provision for taxes on income is made in the Corporation's financial statements since, as a not-for-profit corporation, it is exempt from income taxes under Internal Revenue Code 501(c)(3).

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

Housing Subsidy Covenants - Several of the consolidated entities have entered into housing subsidy covenants with Vermont Housing and Conservation Board (VHCB), as a condition of loans made by VHCB. Pursuant to these covenants, tenants' incomes must fall within certain affordability guidelines.

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

Receivables - Grants Receivable are stated at the amount management expects to collect on outstanding balances. Amounts due are recorded based on a cost reimbursement basis. Cathedral Square Corporation (CSC) bills grant providers on a quarterly basis. No allowance for the valuation of the receivables has been recorded since all amounts have been deemed collectible.

Included in Accounts Receivable are amounts due from managed properties for management and development work and are recorded at net realizable value. No allowance for the valuation of the receivables has been recorded since all amounts have been deemed collectible.

Notes Receivable - Notes receivable are reported at their outstanding principal balances. As described in Note 2, repayment of these notes is dependent on cash flows. Cathedral Square Corporation owns a general partnership interest in each of the entities. Cathedral Square considers all development fees receivable to be 100% collectable.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

Revenue, Gains and Other Support - In accordance with Generally Accepted Accounting Principles (GAAP), the Organization accounts for contributions and revenues received as Net Assets without donor restrictions and Net Assets with Donor restrictions depending on the existence and/or nature of any donor imposed restrictions.

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

Trade and Tenant Receivables and Bad Debt - Trade receivables are reported at the amount of principal outstanding. Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Tenant receivables consist of amounts due for rental income, charges for damages and cleaning fees. The Organization does not accrue interest on the tenant receivable balances.

Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fixed Income Securities - Fixed Income securities consist of mutual funds and are carried at Fair Value.

Inventory - Inventories are stated at cost using First In, First Out (FIFO) Method.

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.

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

Property and Equipment - Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

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

Impairment of Long-Lived Assets - In accordance with the provisions of accounting for the impairment or disposal of long-lived assets, management reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. There are no impairment charges taken during the year ended September 30, 2020.

Subsequent Events - Subsequent events have been evaluated through March 22, 2021, the date the financial statements were available to be issued.

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

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

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

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Donor-restricted funds both received and expended for purposes either implicit with the gift or explicitly outlined by the donor within the same operating period have been classified as net assets without donor restrictions.

NOTE 2 - NOTES RECEIVABLE - MANAGEMENT

Notes Receivable at September 30, 2020 were:

Promissory Note - Development fee for services provided by Cathedral Square Corporation to the TSH Limited Partnership, 0% interest, due from available cash flow, due in full on May 11, 2041, secured by a mortgage deed on the real property.

\$ 147,804

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 3 - LONG-TERM DEBT

Long-term debt consists of the following:

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2020</u>
<u>National Housing Trust Community Development Fund</u>	Heineberg Senior Housing	3.0%	\$715/Mo	December 31, 2025	\$ 41,603
<u>Vermont Housing and Conservation Board (VHCB)</u>	Ruggles House L.P.	0%	Deferred	October 31, 2031	195,000
	Ruggles House L.P.	0%	Deferred	October 31, 2031	98,500
	Heineberg Senior Housing	0%	Deferred	March 10, 2035	625,000
	Whitney Hill Housing	0%	Deferred	March 10, 2037	673,283
	CSC McAuley LLC	0%	Deferred	September 25, 2047	492,500
	CSC McAuley LLC	0%	Deferred	September 25, 2047	30,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	700,000
<u>City of Burlington</u>	Ruggles House L.P.	0%	Deferred	Sale/Change of Use	110,000
	Heineberg Senior Housing	0%	Deferred	Sale/Change of Use	150,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	150,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	80,000
<u>Champlain Housing Trust</u>	Ruggles House L.P.	0%	Deferred	December 31, 2031	250,000
	CSC McAuley	0%	Deferred	August 28, 2047	148,000
<u>Peoples United Bank</u>	Heineberg Senior Housing	3.9%	\$3,145/Mo	July 28, 2021	33,635
<u>TD Bank</u>	Ruggles House L.P.	2.5%	\$1,087/Mo	June 19, 2022	131,513

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 3 - LONG-TERM DEBT (Continued)

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2020</u>
<u>Vermont Community Loan Fund</u>	Memory Care at Allen Brook	5.0%	\$5,690/Mo	September 12, 2024	1,048,757
<u>Vermont Housing Finance Agency (VHFA)</u>	Heineberg Senior Housing	6.41%	\$12,836/ Mo	March 10, 2035	1,452,046
	Whitney Hill Housing	6.57%	\$7,901/ Mo	February 10, 2037	950,910
	CSC McAuley LLC	5.054%	\$17,284/ Mo	March 1, 2047	3,025,506
	CSC McAuley LLC	0%	Deferred	March 1, 2047	510,320
	Memory Care at Allen Brook	0%	Deferred	December, 11, 2047	262,000
Total					11,158,573
Less Current Portion					219,035
					<u>\$10,939,538</u>

Current portions of long-term debt are due within the next five years as follows:

<u>Year Ending September 30</u>	<u>Total Amount</u>
2021	\$ 219,035
2022	307,527
2023	196,847
2024	1,187,228
2025	201,017
Thereafter	9,046,919
Total	<u>\$ 11,158,573</u>

NOTE 4 - DEFERRED INTEREST PAYABLE

Various entities or projects have deferred interest payable arrangements at September 30, 2020 as follows:

Heineberg Senior Housing - Note Payable - VHFA	\$1,147,831
Heineberg Senior Housing - Note Payable - VHCB	228,136
Ruggles House Limited Partnership - Note Payable - City of Burlington	117,613
CSC McAuley, LLC - Note Payable - VHCB	770,234
CSC McAuley, LLC - Note Payable - City of Burlington	416,408
Total	<u>\$ 2,680,222</u>

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 5 - RETIREMENT PLAN

The Corporation maintains defined contribution retirement plans for its employees under Section 403(b) of the Internal Revenue Code. Contributions are made by the Corporation and, in addition, employees may make voluntary, tax-deferred contributions from their compensation. The Corporation also funds a Section 457(b) defined contribution plan for the CEO. During the year ended September 30, 2020, employer contributions to the retirement plans totaled \$242,728.

NOTE 6 - RESTRICTED ESCROW ACCOUNTS

The Corporation's properties have various regulatory agreements with Vermont Housing Finance Agency (VHFA). These agreements place various restrictions and requirements on the projects, including required deposits to Replacement Reserves and Operating Reserve accounts.

The Projects are required to make deposits monthly into reserves from operations or surplus cash or hold funds in escrow. Written agency approval is often required to make withdrawals from these funds.

NOTE 7 - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Cathedral Square Corporation maintains the majority of its cash balances at several banking institutions in Burlington, Vermont. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cathedral Square Corporation has acquired a surety bond for coverage of cash balances in excess of the FDIC limit.

NOTE 8 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

A substantial portion of the Corporation's assets are concentrated in multifamily real estate within the state of Vermont.

The Corporation is the General Partner in several limited partnerships. The Parent Corporation receives management and maintenance fees from the Partnerships as their primary source of revenue to pay for administrative costs. The Partnerships operate in a heavily regulated environment and are subject to the administrative directives of federal, state and local agencies, including but not limited to the Vermont Housing Finance Agency (VHFA) and the Department of Housing and Urban Development (HUD). In addition, the SASH and Assisted Living programs and Memory Care at Allen Brook operate, and are primarily funded by the Centers for Medicare and Medicaid Services (CMS). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the agencies or other situation. Such changes may occur with little notice or with inadequate funding to pay for the related cost including the additional burden to comply with the change and the inability to pay fees owed to the Corporation.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 9 - RELATED PARTY TRANSACTIONS

CSC or CSC Partners, Inc. are either the owner, general partner, co-general partner or management agent in several partnerships and housing projects. CSC has entered into management contracts with these entities. During 2020, fees charged to these entities for management, administrative, maintenance, and resident services totaled \$3,400,039. At September 30, 2020, CSC was owed \$227,391 from these entities.

Development fees received for the development of properties at Juniper North Bond LP, and Juniper South Allocated LP totaled \$198,250 in the year ended September 30, 2020.

CSC rents office space for \$3,000 per month from Farrell Street Senior Housing, L.P. CSC is the general partner of Farrell Street Senior Housing, L.P.

CSC entered into a Capital Advance Agreement with the U.S. Department of Housing and Urban Development (HUD) for \$3,527,800 on behalf of Farrell Street Senior Housing, LP for the construction of the project. The capital advance is non-interest bearing, matures May 1, 2047 and is secured by the real estate and personal property of Farrell Street Senior Housing, LP. The capital advance is recorded on the Partnership's books and not on CSC's books.

Pursuant to the partnership agreements, CSC is entitled to receive partnership administration fees from various partnerships in which CSC is either a General Partner or a Co-General Partner. Fees received in 2020 totaled \$51,007.

NOTE 10 - ENDOWMENT

The Corporation has established an Endowment Fund with funds assigned by donation from McAuley Square, Inc. and has adopted the investment policy of the donor. The Board of Directors of Cathedral Square Corporation has interpreted current responsibilities associated with the assignment as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of the interpretation, Cathedral Square classifies net assets with donor restrictions according to the original value of gifts donated to the permanent endowment. The remaining portion of donor-restricted net assets as well as any increases are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization as directed by the investment policy.

The investment policy states that the original corpus of the Endowment, \$500,000, must be preserved. The remainder can be distributed, up to 5% annually, at the sole discretion of the Board of Directors. The expenditures are to be used to provide resident services to McAuley Square tenants. Investment objectives include the preservation of the original corpus, adjusted for inflation, the preservation of capital from erosion by inflation, the minimization of administrative and management costs without undue sacrifice to the quality of investment performance or service, and to embrace socially responsible investing where feasible. The fair value of the Endowment as of September 30, 2020 was \$976,492. The full balance has been recorded as net assets with donor restrictions.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 10 - ENDOWMENT (Continued)

Changes in Endowment Net Assets consisted of the following:

Beginning Balance	\$ 879,525
Interest and Dividends	16,794
Net Appreciation	123,716
Less: Investment Fees	(6,298)
Distributions	<u>(37,245)</u>
	976,492
Net Assets Without Donor Restrictions	<u>-</u>
Net Assets With Donor Restrictions	<u>\$ 976,492</u>

NOTE 11 - INVESTMENTS

Pursuant to the FASB ASC 820-10-50, the Corporation is required to make disclosures about the calculations (i.e. “inputs”) used to generate fair value measurements, including their classification within a hierarchy that prioritizes the inputs to the fair value measurements. The three levels of the fair value hierarchy are as follows:

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

The fair value of the Corporation’s investments was calculated using the following input data as of September 30, 2020:

Level 1 Inputs:	
Cash	\$ 6,003
Equity Exchange Traded Securities	246,402
Exchange Traded Fixed Income Securities	71,383
Bonds	167,073
Common Stock	<u>485,631</u>
Total	<u>\$ 976,492</u>

Return on Investment consisted of the following:

Interest and Dividends	\$ 16,794
Gains on the Sale of Investments	51,748
Unrealized Gain on Investments	<u>71,968</u>
Total Return on Investment	<u>\$ 140,510</u>

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 12 - EQUITY INVESTMENTS

CSC or CSC Partners, Inc. are the co-general partners in several limited partnerships. Equity investments to these entities at September 30, 2020 was \$2,769,842. Equity investments are accounted for under the equity method.

NOTE 13 - DEVELOPMENT PROJECTS

As of September 30, 2020, Cathedral Square Corporation is owed \$382,795 in development costs associated with the development or redevelopment of various properties. These costs are expected to be reimbursed by the entities.

As of September 30, 2020, Cathedral Square Corporation has raised \$220,834 for development costs associated with the potential development of South Hero L.P. These include donations and private grants which will be returned if the project does not materialize.

NOTE 14 - SELF INSURANCE

The Corporation maintains a self-insurance program for its unemployment costs for former employees who terminate their employment with CSC. The Corporation is liable for direct reimbursement on claims made by former employees with the State of Vermont. CSC participates in a trust to maintain deposits and process claims. The trust has established a stop-loss reserve fund to pay claims in excess of \$25,000 or 10% of the Corporation's taxable wages, whichever is greater, up to twice the threshold for accessing the fund. Stop-loss reserve fund payments are at the sole discretion of the Trustees. Self-insurance costs are accrued based on claims reported as of the balance sheet date as well as an estimated liability for claims incurred but not reported. As of September 30, 2019, the total accrued liability for self-insurance costs was \$6,300.

NOTE 15 - GRANT LIABILITY - MANAGEMENT

CSC received a loan/grant from Vermont Housing Conservation Board (VHCB) for the purpose of assisting elderly people to purchase shares in a Williston cooperative. No interest is due on the loan/grant and no repayment plan is scheduled. The notes receivable consist of loans to elderly people to assist them with the purchase of shares in the cooperative. During 2012, VHCB approved CSC's request to reserve up to \$2,000 per year for a period of three years to cover unforeseen SASH expenses at Williston Woods. The initial \$2,000 reserve was established during fiscal year 2012, with \$2,000 additional added during both 2013 and 2014. Through September 30, 2020, \$953 of SASH expenses have been incurred to be reimbursed from the reserve. The balance of the loan/grant at September 30, 2020 is \$12,074 plus accrued interest of \$6,044 (total of \$18,118). This liability is offset by a restricted escrow account, a related loan receivable and the SASH receivable that, in total, equals the same amount.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 16 - MASTER LEASE

A Master Lease was executed in 2001 with the Lund Family Center by the former owners of the McAuley Square properties. The lease was assigned to CSC McAuley, LLC. Pursuant to this agreement, the Lund Family Center leased all seven units in Building 1. The lease was renewed in December 2016 for a period of 5 years with an option to renew for two additional 5 year terms. The lease called for annual increases of not less than 2% and not higher than 5% or such amount as may be secured in a project based voucher contract with Burlington Housing Authority. The lease was terminated effective June 30, 2020.

Effective July 1, 2020, CSC McAuley, LLC has entered into an agreement with ANEW Place to lease the community facilities in Building 1. The lease term is 5 years with up to two additional 5 year terms. The lease calls for annual increases of not less than 2% and not more than 5%.

Future minimum lease payments pursuant to the lease agreements are as follows:

Years Ending September 30,	
2021	\$ 12,060
2022	12,300
2023	12,543
2024	12,795
2025	9,738
Total	<u>\$ 59,436</u>

NOTE 17 - HOME PROGRAM

Pursuant to loan agreements with the City of Burlington, CSC McAuley, LLC must designate nineteen (19) dwelling units as HOME units to comply with affordability and other specified requirements for a period of twenty (20) years. Failure to comply with these requirements may result in repayment of funds.

NOTE 18 - ENTITIES OMITTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements do not include the Limited Partnerships controlled by either CSC or CSC Partners Inc., a wholly owned subsidiary of Cathedral Square Corporation (CSC). CSC does not believe it is practical or meaningful to include the statements of financial position and the results of operations of the following partnerships in the consolidated statements:

CSSL Limited Partnership	TSH Two Limited Partnership
Essex Senior Housing LP	Farrell Street Senior Housing LP
GWC II Limited Partnership	Rail City Housing LP
Richmond Terrace LP	TSH Limited Partnership
SH Limited Partnership	Elm Place Limited Partnership
Allard Square Limited Partnership	Whitcomb Woods Limited Partnership
Juniper North Bond LP	Juniper South Allocated LP
Whitcomb Terrace LP	

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 18 - ENTITIES OMITTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

CSC also does not believe it is practical or meaningful to include the statements of financial position and results of operations of the following entities, related through common board control, in the consolidated statements:

Jeri Hill Housing Corporation
Monroe Place Corporation
South Burlington Community Housing Corporation

Separate financial statements for all of the above entities have been prepared and forwarded to the appropriate funding agencies.

The exclusion of the above entities represents a departure from Generally Accepted Accounting Principles that would require these entities to be included in consolidated financial statements.

If the financial statements had been consolidated with these entities, the total assets, liabilities, and net assets would have increased by \$86,047,259, \$55,434,291 and \$30,612,968, respectively, and revenue and expenses would have increased by \$7,810,145 and \$9,128,758 respectively, at September 30, 2020.

NOTE 19 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation's working capital and cash flows are derived from monthly revenues consisting of rent, housing assistance payments, state and federal assistance, management fees, and investment activities from endowment funds. In addition, the Corporation receives development fees, grants, and donations.

The following reflects the Corporation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual and donor restrictions within one year of the statement of financial position date. Amounts not available include balances retained in endowment funds and long-term investing in capital reserves that could be drawn upon if approved by VHFA.

The Corporation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 19 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

Cash and Cash Equivalents	\$ 7,550,766
Grants Receivable	236,134
Accounts Receivable	651,128
Endowment Fund	<u>976,492</u>
Total Financial Assets	9,414,520
Less Donor and Contractually Restricted Balances:	
Restricted Escrow Accounts	(1,478,983)
Endowment Fund - Donor Restricted	<u>(976,492)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 6,959,045</u></u>

NOTE 20 - CASH, CASH EQUIVALENTS AND RESTRICTED CASH

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

Cash - Operations	\$ 6,071,783
Reserve for Replacements	1,247,043
Other Reserves	231,940
Tenant Security Deposits	<u>160,681</u>
Total Cash, Cash Equivalents and Restricted Cash Accounts	<u><u>\$ 7,711,447</u></u>

NOTE 21 - METHODS USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM AND SUPPORTING SERVICES

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

NOTE 22 - ADOPTION OF ACCOUNTING PRONOUNCEMENTS

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18 Statement of Cash Flows (Topic 230): Restricted Cash. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. The new standard is effective for annual reporting periods beginning after December 15, 2018. The Corporation adopted ASU 2016-18 effective October 1, 2019.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 22 - ADOPTION OF ACCOUNTING PRONOUNCEMENTS

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 clarifies whether transactions should be accounted for as contributions or as exchange transactions and how to determine whether a contribution is conditional. These decisions affect the timing of the revenue recognized. The new standard is effective for annual reporting periods beginning after December 15, 2018. The Corporation adopted ASU 2018-08 effective October 1, 2019.

NOTE 23 - SMALL BUSINESS RELIEF LOANS

On April 13, 2020, the Corporation received loan proceeds in the amount of \$1,673,800 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provided loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expense of the qualifying business. The loans and accrued interest were forgivable after eight weeks as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. The amount of loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the eight-week period. The Corporation met the conditions for forgiveness of the loan and received forgiveness effective November 4, 2020. The transaction is recorded as grant income as of September 30, 2020.

NOTE 24 - PANDEMIC UNCERTAINTY

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

NOTE 25 - COMMITMENTS

On June 8, 2020, the CSC Board of Directors approved a resolution for renovations on Ruggles House for \$395,222. The Corporation has entered into a construction contract with Naylor and Breen Builders. Construction started in July 2020. As of September 30, 2020, \$112,647 of costs have been incurred, with expected completion in November 2020.

On July 16th, 2020, CSC executed a loan from the City of Burlington on behalf of Ruggles to fund part of the renovation. Funds have not been drawn or received as of September 30, 2020.

SUPPLEMENTARY INFORMATION

CATHEDRAL SQUARE CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2020

ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitney Hill Housing	CSC McAuley LLC	Eliminations	Total
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 4,475,774	\$ 306,109	\$ 779,884	\$ 119,484	\$ 75,438	\$ 86,959	\$ 125,088	\$ 103,047	\$ -	\$ 6,071,783
Accounts Receivable	1,543	145,095	2,350	176,330	3,464	2,329	7,438	23,228	-	361,777
Accounts Receivable - Related Parties	1,003,847	56,437	-	-	-	-	-	-	(770,933)	289,351
Grants Receivable	28,320	-	159,445	-	48,369	-	-	-	-	236,134
Inventory	-	5,833	-	1,752	-	-	-	-	-	7,585
Prepaid Expenses	64,656	-	74,484	-	-	26,504	19,487	33,250	-	218,381
Total Current Assets	5,574,140	513,474	1,016,163	297,566	127,271	115,792	152,013	159,525	(770,933)	7,185,011
OTHER ASSETS										
Restricted Escrow Accounts	60,942	-	-	63,448	93,171	386,439	410,321	464,662	-	1,478,983
Tenant Security Deposits	-	-	-	6,847	8,582	61,303	37,975	45,974	-	160,681
Notes Receivable	147,804	-	-	-	-	-	-	-	-	147,804
Prepaid Expenses - LT	-	-	74,481	-	-	-	-	-	-	74,481
Equity Investments	2,759,842	-	-	-	-	-	-	-	-	2,759,842
Development Projects	382,795	-	-	-	-	-	-	-	-	382,795
Total Other Assets	3,351,383	-	74,481	70,295	101,753	447,742	448,296	510,636	-	5,004,586
PROPERTY AND EQUIPMENT										
Land and Improvements	-	-	-	299,488	-	58,558	218,985	585,974	-	1,163,005
Building and Improvements	-	-	-	1,381,045	879,868	4,881,900	1,588,924	5,481,822	-	14,213,559
Furniture, Fixtures and Equipment	241,259	-	-	70,419	15,000	141,872	81,513	23,026	-	573,089
Construction in Process	-	-	-	-	112,647	-	9,047	1,217	-	122,911
Total	241,259	-	-	1,750,952	1,007,515	5,082,330	1,898,469	6,092,039	-	16,072,564
Less Accumulated Depreciation	(227,623)	-	-	(126,237)	(115,201)	(2,282,759)	(667,319)	(511,077)	-	(3,930,216)
NET PROPERTY AND EQUIPMENT	13,636	-	-	1,624,715	892,314	2,799,571	1,231,150	5,580,962	-	12,142,348
ENDOWMENT										
	976,492	-	-	-	-	-	-	-	-	976,492
TOTAL ASSETS	\$ 9,915,651	\$ 513,474	\$ 1,090,644	\$ 1,992,576	\$ 1,121,338	\$ 3,363,105	\$ 1,831,459	\$ 6,251,123	\$ (770,933)	\$ 25,308,437

CATHEDRAL SQUARE CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
(Continued)

September 30, 2020

LIABILITIES AND NET ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitney Hill Housing	CSC McAuley, LLC	Eliminations	Total
CURRENT LIABILITIES										
Accounts Payable	\$ 115,941	\$ 3,857	\$ 106,757	\$ 5,905	\$ 3,450	\$ 14,442	\$ 8,962	\$ 16,979	\$ -	\$ 276,293
Fundraising Payable	220,834	-	-	-	-	-	-	-	-	220,834
Accrued Interest Payable	-	-	-	2,140	100	5,277	3,471	12,742	-	23,730
Other Accrued Liabilities	738,278	38,353	303,126	20,691	55,027	7,661	2,180	2,532	-	1,167,848
Tenant Security Deposits	-	-	-	6,847	8,582	61,303	37,975	45,974	-	160,681
Due to Intercompany	-	287,999	307,210	159,099	8,538	1,686	2,405	3,996	(770,933)	-
Resident Service Deposits	-	20,189	-	-	-	-	-	544	-	20,733
Deferred Revenue	11,468	2,420	5,900	1,937	60,728	3,049	2,862	2,380	-	90,744
Current Portion of Long-term Debt	-	-	-	16,214	9,864	103,846	33,331	55,780	-	219,035
Total Current Liabilities	1,086,521	352,818	722,993	212,833	146,289	197,264	91,186	140,927	(770,933)	2,179,898
LONG-TERM DEBT										
Notes Payable	-	-	-	1,294,543	775,149	2,198,438	1,590,862	5,080,546	-	10,939,538
Less Deferred Loan Fees	-	-	-	(7,653)	-	-	-	(28,739)	-	(36,392)
Other Note Payable	-	-	-	-	20,000	-	-	-	(20,000)	-
Deferred Interest Payable	-	-	-	-	117,613	1,375,967	-	1,186,642	-	2,680,222
Total Long-term Debt	-	-	-	1,286,890	912,762	3,574,405	1,590,862	6,238,449	(20,000)	13,583,368
Total Liabilities	1,086,521	352,818	722,993	1,499,723	1,059,051	3,771,669	1,682,048	6,379,376	(790,933)	15,763,266
NET ASSETS										
Net Assets Without Donor Restrictions	7,622,462	160,656	367,651	492,853	1,565	(408,564)	149,411	(128,253)	20,000	8,277,781
Net Assets With Donor Restrictions	1,206,668	-	-	-	60,722	-	-	-	-	1,267,390
TOTAL NET ASSETS	8,829,130	160,656	367,651	492,853	62,287	(408,564)	149,411	(128,253)	20,000	9,545,171
TOTAL LIABILITIES AND NET ASSETS	\$ 9,915,651	\$ 513,474	\$ 1,090,644	\$ 1,992,576	\$ 1,121,338	\$ 3,363,105	\$ 1,831,459	\$ 6,251,123	\$ (770,933)	\$ 25,308,437

CATHEDRAL SQUARE CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended September 30, 2020

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitney Hill Housing	CSC McAuley, LLC	Eliminations	Total
REVENUES										
Rental Revenue	\$ -	\$ -	\$ -	\$ 115,860	\$ 170,846	\$ 953,919	\$ 488,340	\$ 923,432	\$ -	\$ 2,652,397
State and Federal Assistance	-	974,920	-	1,029,982	-	-	-	-	-	2,004,902
Donations	44,844	500	-	6,215	-	-	-	250	-	51,809
Management and Related Service Fees	4,511,011	-	-	-	-	-	-	-	(1,110,972)	3,400,039
Development Fees	198,250	-	-	-	-	-	-	-	-	198,250
Client Fees	-	742,327	-	213,355	-	-	-	-	-	955,682
Grant Income	1,963,552	37,600	3,390,042	26,053	112,647	-	-	25,000	(20,000)	5,534,894
Investment Income	156,672	-	-	144	155	1,045	1,169	1,419	-	160,604
Other Income	177,204	-	59,340	2,699	2,064	8,134	5,796	50,356	(119,753)	185,840
TOTAL SUPPORT AND REVENUE	7,051,533	1,755,347	3,449,382	1,394,308	285,712	963,098	495,305	1,000,457	(1,250,725)	15,144,417
EXPENSES										
Program Services	3,777,077	1,677,160	3,217,151	1,217,927	168,962	885,649	440,335	1,045,886	(887,118)	11,543,029
Management and General Fundraising	1,344,687	50,000	-	142,676	21,049	73,441	39,196	-	(363,607)	1,307,442
	22,944	-	-	-	-	-	-	-	-	22,944
TOTAL OPERATING EXPENSES	5,144,708	1,727,160	3,217,151	1,360,603	190,011	959,090	479,531	1,045,886	(1,250,725)	12,873,415
INCREASE (DECREASE) IN NET ASSETS	1,906,825	28,187	232,231	33,705	95,701	4,008	15,774	(45,429)	-	2,271,002
TOTAL NET ASSETS, Beginning of Year	6,922,305	132,469	135,420	459,148	(33,414)	(412,572)	133,637	(82,824)	20,000	7,274,169
TOTAL NET ASSETS, End of Year	\$ 8,829,130	\$ 160,656	\$ 367,651	\$ 492,853	\$ 62,287	\$ (408,564)	\$ 149,411	\$ (128,253)	\$ 20,000	\$ 9,545,171
CHANGES TO NET ASSETS WITHOUT DONOR RESTRICTIONS:										
BEGINNING OF THE YEAR	\$ 6,026,189	\$ 132,469	\$ 135,420	\$ 459,148	\$ (33,414)	\$ (412,572)	\$ 133,637	\$ (82,824)	\$ 20,000	\$ 6,378,053
Total Support and Revenue	6,697,438	1,755,347	3,449,382	1,394,308	173,065	963,098	495,305	1,000,457	(1,250,725)	14,677,675
Net Assets Released from Restriction	43,543	-	-	-	51,925	-	-	-	-	95,468
Total Operating Expenses	(5,144,708)	(1,727,160)	(3,217,151)	(1,360,603)	(190,011)	(959,090)	(479,531)	(1,045,886)	1,250,725	(12,873,415)
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	\$ 7,622,462	\$ 160,656	\$ 367,651	\$ 492,853	\$ 1,565	\$ (408,564)	\$ 149,411	\$ (128,253)	\$ 20,000	\$ 8,277,781
CHANGES TO NET ASSETS WITH DONOR RESTRICTIONS:										
BEGINNING OF THE YEAR	\$ 896,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 896,116
Total Support and Revenue	354,095	-	-	-	112,647	-	-	-	-	466,742
Net Assets Released from Restriction	(43,543)	-	-	-	(51,925)	-	-	-	-	(95,468)
NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR	\$ 1,206,668	\$ -	\$ -	\$ -	\$ 60,722	\$ -	\$ -	\$ -	\$ -	\$ 1,267,390

CATHEDRAL SQUARE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES
For the Year Ended September 30, 2020

MANAGEMENT

REVENUES

Management and Related Service Fees	\$ 4,511,011
Development Fees	198,250
Grant Income	1,963,552
Donations	44,844
Gain on the Sale of Investments	51,748
Unrealized Gain on Investments	71,968
Income from Investments	16,794
Interest Income	16,162
Other Income	<u>177,204</u>
Total Revenues	<u>7,051,533</u>

EXPENSES

Administrative	
Salaries	660,196
Payroll Taxes	49,839
Pension	28,890
Life/Disability	11,495
Insurance	179,045
Workers Compensation	<u>14,245</u>
Total Administrative Expenses	<u>943,710</u>
Housing Operations	
Salaries	1,468,107
Payroll Taxes	113,669
Pension	51,849
Life/Disability	16,279
Insurance	443,444
Workers Compensation	<u>46,505</u>
Total Housing Operations Expenses	<u>2,139,853</u>
Housing Services	
Salaries	894,657
Payroll Taxes	67,012
Pension	35,583
Life/Disability	9,966
Insurance	219,075
Workers Compensation	<u>70,800</u>
Total Housing Services Expenses	<u>1,297,093</u>

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2020

MANAGEMENT

Development	
Salaries	246,793
Payroll Taxes	19,187
Pension	10,364
Life/Disability	6,363
Insurance	52,618
Workers Compensation	4,806
Total Development Expenses	<u>340,131</u>
Unallocated Expenses	
Vehicle	1,402
Dues and Subscriptions	4,448
Telephone	20,561
Office Expense	23,295
Education	12,433
Rent	36,000
Audit	22,918
Legal	5,401
Computer	79,230
Consulting	450
Depreciation	10,055
Postage	14,435
Printing	973
Employee Appreciation	4,072
Travel	11,164
Marketing	20,307
Contributions	1,500
Investment Expenses	43,543
Other	111,734
Total Unallocated Expenses	<u>423,921</u>
Total Operating Expenses	<u>5,144,708</u>
INCREASE IN NET ASSETS	<u>\$ 1,906,825</u>

CATHEDRAL SQUARE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2020

ASSISTED LIVING OPERATIONS

	<u>Personal Care</u>	<u>Kitchen</u>	<u>2020 Total</u>
REVENUES			
Medicaid	\$ 974,920	\$ -	\$ 974,920
Client Fees	442,883	299,444	742,327
Donations	500	-	500
Grant Income	37,600	-	37,600
	<u>1,455,903</u>	<u>299,444</u>	<u>1,755,347</u>
Total Revenues			
EXPENSES			
Administrative Compensation	960,723	129,775	1,090,498
Agency Call Out	10,820	-	10,820
Payroll Taxes	74,785	9,645	84,430
Health Insurance	195,899	25,467	221,366
Life/Disability	8,081	1,154	9,235
Workers Compensation	50,083	4,332	54,415
Pension	34,197	1,409	35,606
Education	325	-	325
Supplies	20,957	17,674	38,631
Food	-	115,585	115,585
Travel	2,056	647	2,703
Other	1,313	12,233	13,546
	<u>1,359,239</u>	<u>317,921</u>	<u>1,677,160</u>
Total Operating Expenses			
INCREASE IN NET ASSETS FROM OPERATIONS	<u>\$ 96,664</u>	<u>\$ (18,477)</u>	<u>78,187</u>
Asset Management Fees			<u>50,000</u>
INCREASE IN NET ASSETS			<u>\$ 28,187</u>

CATHEDRAL SQUARE CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2020

SASH

REVENUES	
Grant Income	\$ 3,390,042
Other Income	59,340
	<hr/>
Total Revenues	3,449,382
	<hr/>
EXPENSES	
Salaries	1,469,362
Payroll Taxes	112,075
Health Insurance	261,610
Life/Disability	16,177
Workers Compensation	31,343
Pension	66,197
Recruitment	3,782
Education	9,132
Supplies	15,277
Travel	12,288
Consulting	6,000
Information Technology	6,781
Nursing	86,465
Functional Team	8,025
Grant Expenditures	1,099,644
Other	12,993
	<hr/>
Total Operating Expenses	3,217,151
	<hr/>
INCREASE IN NET ASSETS	\$ 232,231
	<hr/> <hr/>

CATHEDRAL SQUARE CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2020

MEMORY CARE AT ALLEN BROOK

REVENUES

Tenant Rental Income	\$ 70,941
Rental Assistance	44,919
Medicaid	1,029,982
Client Fees - Personal care	124,398
Client Fees - Kitchen	88,957
Donations	6,215
Grant Income	26,053
Interest Income	144
Other Income	2,699

Total Revenues	<u>1,394,308</u>
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EXPENSES

Administrative

Management Fees	11,256
Administrative Salaries	65,460
Legal and Accounting	7,564
Other Administrative	7,034

Total Administrative	<u>91,314</u>
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Services

Salaries	590,913
Agency Call Out	46,288
Payroll Taxes	45,020
Pension	14,239
Life/Disability	4,759
Insurance	130,247
Workers Compensation	28,871
Resident Services	45,163
Food	47,243
Supplies	9,435
Other	439

Total Resident Services	<u>962,617</u>
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Utilities

Electricity	14,640
Fuel	7,415
Water and Sewer	8,792
Other Utilities	7,087

Total Utilities	<u>37,934</u>
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CATHEDRAL SQUARE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2020

MEMORY CARE AT ALLEN BROOK

Maintenance and Repairs	
Maintenance Salaries	35,568
Cleaning and Supplies	8,769
Maintenance Contracts	18,233
Trash Removal	1,857
Snow Removal	6,756
Miscellaneous Maintenance	887
	<hr/>
Total Maintenance and Repairs	72,070
	<hr/>
General Expenses	
Payroll Taxes	11,076
Property and Liability Insurance	3,500
Health Insurance	46,956
Workers Compensation	5,172
Interest Expense	54,739
Depreciation	50,217
	<hr/>
Total General Expenses	171,660
	<hr/>
Total Operating Expenses	1,335,595
	<hr/>
INCREASE IN NET ASSETS FROM OPERATIONS	58,713
	<hr/>
Asset Management Fees	25,008
	<hr/>
INCREASE IN NET ASSETS	<u>\$ 33,705</u>

CATHEDRAL SQUARE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES
For the Year Ended September 30, 2020

RUGGLES HOUSE

REVENUES	
Tenant Rental Income	\$ 87,637
Rental Assistance	83,209
Interest Income	155
Grant Income	112,647
Other Income	2,064
Total Revenues	<u>285,712</u>
EXPENSES	
Administrative	
Management Fees	8,580
Administrative Salaries	12,084
Legal and Accounting	3,000
Other Administrative	12,282
Total Administrative	<u>35,946</u>
Resident Services	<u>20,509</u>
Utilities	
Electricity	10,310
Fuel	6,776
Water and Sewer	4,765
Other Utilities	4,675
Total Utilities	<u>26,526</u>
Maintenance and Repairs	
Maintenance Salaries	15,156
Cleaning and Supplies	5,149
Maintenance Contracts	16,014
Trash Removal	740
Snow Removal	5,141
Miscellaneous Maintenance	886
Total Maintenance and Repairs	<u>43,086</u>

CATHEDRAL SQUARE CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND EXPENSES
 (Continued)

For the Year Ended September 30, 2020

RUGGLES HOUSE

General Expenses	
Property and Liability Insurance	6,341
Real Estate Taxes	2,965
Payroll Taxes	3,540
Health Insurance	15,012
Workers Compensation	1,656
Interest Expense	3,511
Depreciation	<u>30,919</u>
Total General Expenses	<u>63,944</u>
Total Expenses	<u>190,011</u>
INCREASE IN NET ASSETS	<u><u>\$ 95,701</u></u>

CATHEDRAL SQUARE CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2020

Federal Grantor/Pass through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>		
Passed through State of Vermont, Department of Health: Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	<u>\$ 112,084</u>
<u>Medicaid Cluster</u>		
Passed through State of Vermont, Department of Disabilities Aging and Independent Living: Medical Assistance Program	93.778	526,346
Passed through State of Vermont, Department of Vermont Health Access: Medical Assistance Program	93.778	<u>50,638</u>
Total Medicaid Cluster		<u>576,984</u>
Total U.S Department of Health and Human Services		<u>689,068</u>
<u>U.S. Department of Housing and Urban Development</u>		
Capacity Building for Community Development and Affordable Housing	14.252	21,202
Passed through State of Vermont Agency of Commerce and Community Development: Community Development Block Grants	14.228	60,000
Passed through Vermont Housing and Conservation Board Home Investment Partnership Program:	14.239	<u>109,000</u>
Total U.S Department of Housing and Urban Development		<u>190,202</u>
<u>United States Department of the Treasury</u>		
Passed through Vermont Agency of Human Resources: Coronavirus Relief Fund	21.019	<u>78,400</u>
Total United States Department of the Treasury		<u>78,400</u>
Total Expenditures of Federal Awards		<u><u>\$ 957,670</u></u>

CATHEDRAL SQUARE CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2020

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Federal Awards is presented using the accrual basis of accounting. The schedule does not include the limited partnerships. These entities were subject to stand alone compliance and audit requirements as applicable.

NOTE 2 - RELATIONSHIP TO FINANCIAL STATEMENTS

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200.516*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

NOTE 3 - DE MINIMIS INDIRECT COST RATE

The Corporation has elected to use the 10% de minimis indirect cost rate per Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*.

CATHEDRAL SQUARE CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended September 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: modified
 Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified
 not considered to be material weaknesses? yes none reported
 Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified
 not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be
 reported in accordance with Title 2 *U.S. Code of
 Federal Regulations* (CFR) Part 200:516? yes no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medicaid Cluster

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 750,000
 Auditee qualified as low-risk auditee? yes no

CATHEDRAL SQUARE CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

For the Year Ended September 30, 2020

Section II - Financial Statement Findings

Finding Number: 2020-001

Questioned Costs: N/A

Information on Universe and Population Size: N/A

Sample Size information: N/A

Condition: Material audit adjustments totaling \$204,955 were made to the following accounts to present financial statements in accordance with Generally Accepted Accounting Principles (GAAP): Prepaid Expenses, Grant Income, SASH Expenses and Deferred Revenues.

Criteria: Management is responsible for maintaining its accounting records in accordance with GAAP.

Cause: Insufficient resources exist to ensure the effectiveness of controls over financial close and reporting procedures.

Effect or Potential Effect: As a result of this condition, the Corporation's accounting records were initially misstated by amounts material to the financial statements.

Recommendation: We recommend that the Corporation provide adequate resources to ensure proper training and review over monthly and annual financial close procedures to eliminate errors in the future.

Reporting Views of Responsible Officials: The Controller will attend training and will identify areas of the position that can be performed by Staff Accountants, allowing more time to review financials. Additionally, the Controller will work with other Cathedral Square Corporation team members to ensure transactions are reviewed and properly recorded.



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*

To the Board of Directors
Cathedral Square Corporation

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 Cathedral Square Corporation, which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cathedral Square Corporation'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 Cathedral Square Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Cathedral Square Corporation's internal control.

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 and therefore, material weaknesses and significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Findings 2020-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cathedral Square Corporation'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 financial statements. 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*.

Cathedral Square Corporation's Response to Finding

Cathedral Square Corporation's response to the finding identified in our audit is described in the accompany schedule of findings and questioned costs. Cathedral Square Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

March 22, 2021
South Portland, Maine



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

To the Board of Directors
Cathedral Square Corporation

Report on Compliance for the Major Federal Program

We have audited Cathedral Square Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Cathedral Square Corporation's major federal program for the year ended September 30, 2020. Cathedral Square Corporation'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 Cathedral Square Corporation's major federal program 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 the audit 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). Those standards and the 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 Cathedral Square Corporation'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 its major federal program. However, our audit does not provide a legal determination of Cathedral Square Corporation's compliance.

Opinion on the Major Federal Program

In our opinion, Cathedral Square Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of Cathedral Square Corporation 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 Cathedral Square Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Cathedral Square Corporation's 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.



Certified Public Accountants

March 22, 2021
South Portland, Maine