OTIS | ATWELL
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS

CATHEDRAL SQUARE CORPORATION

September 30, 2025

324 Gannett Drive
South Portland, Maine 04106

Tel: (207) 780-1100

CATHEDRAL SQUARE CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2025

CONTENTS

	PAGE
Independent Auditor's Report	1 and 2
Financial Statements:	
Consolidated Statement of Financial Position	3 and 4
Consolidated Statement of Activities and Changes in Net Assets	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to the Financial Statements	8 through 24
SUPPLEMENTARY INFORMATION	
Schedule 1 - Consolidating Schedule of Financial Position	25 and 26
Schedule 2 - Consolidating Schedule of Activities	27
Schedules of Revenues and Expenses	
Schedule A - Management	28 and 29
Schedule B - Assisted Living Operations	30
Schedule C - SASH	31
Schedule D - Memory Care at Allen Brook	32 and 33
Schedule E - Ruggles House	34 and 35
Schedule F - Whitcomb Terrace	36 and 37
Schedule of Expenditures of Federal Awards	38
Notes to Schedule of Expenditures of Federal Awards	39
Schedule of Findings and Questioned Costs	40
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*	41 and 42
Independent Auditor's Report on Compliance for Its Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	43 and 44

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Cathedral Square Corporation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Cathedral Square Corporation (a nonprofit organization) and affiliates (the Organization), which comprise the consolidated statement of financial position as of September 30, 2025, 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.

In our opinion, except for the effects of not consolidating all majority-owned subsidiaries, as described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of Cathedral Square Corporation as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 17 to the financial statements, the Organization reports its investment in a number of majority owned subsidiaries, on the equity method of accounting. In our opinion, accounting principles generally accepted in the United States of America require that all majority-owned subsidiaries be consolidated with those of Cathedral Square Corporation. If the financial statements were corrected for that departure from U.S. generally accepted accounting principles, the amounts reported for total assets, liabilities, and revenue and expenses would have been materially affected.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cathedral Square Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cathedral Square Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cathedral Square Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cathedral Square Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 25 through 37 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations 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 schedule of expenditures of federal awards 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 February 4, 2026 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 solely 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.

Opus Atwell

Certified Public Accountants

February 4, 2026
South Portland, Maine
Employer Identification No: 20-3690847
Engagement Partner: Jesse Ferreira

CATHEDRAL SQUARE CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2025

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	6,641,206
Accounts Receivable - Tenant		81,081
Accounts Receivable - Related Parties (Note 9)		474,943
Accounts Receivable - Resident Services (Note 1)		390,638
Grants Receivable		912,650
Prepaid Expenses		316,724
Total Current Assets		8,817,242
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Restricted Escrow Accounts (Note 6)		1,680,152
Tenant Security Deposits		139,145
Total Restricted Deposits and Funded Reserves		1,819,297
OTHER ASSETS		
Notes Receivable, Net of Allowance of $2,305,450 (Note 2)		13,571,604
Equity Investments (Notes 6 and 17)		13,937,276
Development Projects (Note 14)		89,711
Development Fees Receivable (Note 1)		883,401
Endowment (Note 10)		1,299,087
Investments in Debt and Equity Securities (Note 11)		691,676
Total Other Assets		30,472,755
PROPERTY AND EQUIPMENT (Note 3)		
Land and Improvements		1,065,756
Buildings and Improvements		15,047,846
Furniture, Fixtures and Equipment		549,985
Total		16,663,587
Less Accumulated Depreciation		(5,506,116)
Net Property and Equipment		11,157,471
TOTAL ASSETS	$	52,266,765

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

September 30, 2025

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	$ 247,518
Accrued Interest Payable	16,016
Other Accrued Liabilities	1,247,154
Prepaid Revenue	13,616
Current Portion of Long-term Debt	114,937
Total Current Liabilities	1,639,241
DEPOSIT LIABILITIES	
Tenant Security Deposit and Interest	143,489
Resident Service Deposits	12,807
Total Deposit Liabilities	156,296
LONG-TERM DEBT	
Notes Payable, Net of Current Portion (Notes 3 and 16)	9,389,087
Less Deferred Loan Fees	(43,733)
Deferred Interest Payable (Note 4)	3,405,393
Refundable Advances (Note 13)	13,463,800
Total Long-term Debt	26,214,547
TOTAL LIABILITIES	28,010,084
NET ASSETS (Note 21)	
Net Assets Without Donor Restrictions	22,957,594
Net Assets With Donor Restrictions	1,299,087
TOTAL NET ASSETS	24,256,681
TOTAL LIABILITIES AND NET ASSETS	$ 52,266,765

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, 2025

REVENUES	
Rental Revenue	$ 2,764,384
Net Resident Services Revenue	3,076,731
Management and Related Service Fees (Note 9)	4,783,552
Development Fees (Note 9)	807,556
Contributions of Nonfinancial Assets (Note 22)	5,957,241
Contributions of Cash and Other Financial Assets (Note 22)	1,230,211
Grant Income	8,205,102
Donations	254,588
Investment Income (Note 12)	221,133
Interest Income	124,673
Other Income	516,929
TOTAL REVENUES	27,942,100
EXPENSES	
Program Services - Property Management	6,692,492
Program Services - Development	367,428
Program Services - SASH	5,708,925
Program Services - Assisted Living	2,858,820
Management and General	3,630,079
Fundraising	50,438
TOTAL EXPENSES	19,308,182
INCREASE IN NET ASSETS	8,633,918
NET ASSETS, Beginning of Year	15,622,763
NET ASSETS, End of Year	$ 24,256,681

CHANGES IN NET ASSETS BY RESTRICTION TYPE

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	$ 13,255,296
Total Support and Revenue	27,801,575
Net Assets Released from Restriction	1,208,905
Total Operating Expenses	(19,308,182)
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	$ 22,957,594
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	
NET ASSETS, WITH DONOR RESTRICTIONS, BEGINNING OF YEAR	$ 2,367,467
Total Support and Revenue	140,525
Net Assets Released from Restriction	(1,208,905)
NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR	$ 1,299,087

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2025

	Program Services				Supportive Services		
	Property Management	Development	SASH	Assisted Living	Management and General	Fundraising	Total
Payroll Costs and Benefits	$ 4,539,797	$ 356,276	$ 3,321,303	$ 2,222,005	$ 1,484,873	$ 48,046	$ 11,972,300
Agency Call Out	-	-	-	411,660	-	-	411,660
Utilities	370,727	-	-	-	-	-	370,727
Repairs and Property Maintenance	471,948	-	-	-	-	-	471,948
Equipment and Supplies	65,509	-	29,330	39,155	-	-	133,994
Administrative	72,513	-	-	15,989	206,964	-	295,466
Employee Acquisition and Training	-	-	31,368	1,400	29,073	-	61,841
Marketing	-	-	-	-	1,164	2,392	3,556
Travel	-	2,801	14,228	220	11,367	-	28,616
Professional Fees	45,755	-	8,020	5,361	37,344	-	96,480
Rent	-	-	-	-	36,000	-	36,000
Vehicle	-	-	-	-	3,069	-	3,069
Resident Services	27,460	-	-	2,444	-	-	29,904
Food Services	-	-	-	144,282	-	-	144,282
Grant Expenditures	-	-	2,233,006	-	6,725	-	2,239,731
Nursing Services	-	-	13,848	-	-	-	13,848
Bad Debts - Notes Receivable	-	-	-	-	1,626,294	-	1,626,294
Contributions	-	-	-	-	27,193	-	27,193
Investment Expenses	-	-	-	-	10,890	-	10,890
Interest	198,675	-	-	-	-	-	198,675
Taxes and Insurance	436,928	-	-	-	-	-	436,928
Depreciation	453,026	-	-	-	1,621	-	454,647
Miscellaneous	10,154	8,351	57,822	16,304	147,502	-	240,133
Total Expenses	$ 6,692,492	$ 367,428	$ 5,708,925	$ 2,858,820	$ 3,630,079	$ 50,438	$ 19,308,182

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	$ 8,633,918
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	454,647
Amortization of Debt Issuance Costs	4,071
Unrealized Gain on Endowment Investments	(56,706)
Unrealized Gain on Investments in Debt and Equity Securities	(68,090)
Realized Gain on Endowment Investments	(52,843)
Realized Loss on Investments in Debt and Equity Securities	3,176
Net Loss on Equity Investments	35,244
Contributions of Nonfinancial Assets	(5,957,241)
Forgiveness of Debt	(96,145)
Provision for Bad Debt Expense - Notes Receivable	1,672,294
Change in Operating Assets and Liabilities	
Accounts Receivable - Tenant	14,100
Accounts Receivable - Related Parties	89,632
Accounts Receivable - Resident Services	(128,668)
Grants Receivable	518,744
Development Projects	13,238
Development Fees Receivable	(528,758)
Prepaid Expenses	(40,975)
Accounts Payable	19,443
Resident Service Deposits	(13,259)
Prepaid Revenue	(13,633)
Refundable Advances	(9,736)
Accrued Interest Payable	(398)
Accrued Expenses	336,113
Tenant Security Deposits	11,915
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,840,083
CASH FLOWS FROM INVESTING ACTIVITIES	
Advance of Notes Receivable	(1,672,294)
Equity Investments	(2,291,350)
Net Sales of Endowment Investments	27,929
Net Purchases of Investments in Debt and Equity Securities	(11,958)
Purchases of Property and Equipment	(51,538)
NET CASH USED BY INVESTING ACTIVITIES	(3,999,211)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments of Long-term Debt	(116,295)
NET CASH USED BY FINANCING ACTIVITIES	(116,295)
NET INCREASE IN CASH	724,577
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	7,735,926
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 8,460,503
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid During the Year for:	
Interest	$ 195,002
Non-Cash Investing and Financing Transactions:	
Property Contributed with Equity Investments	$ 5,957,241

See accompanying 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 tax exempt entity organized for the purpose of providing housing and support services to the elderly, disabled and persons with other special needs across Vermont. CSC owns low-income and assisted-living housing facilities across Vermont, some of which are regulated by the U.S. Department of Housing and Urban Development (HUD), the Vermont Housing Finance Agency (VHFA), or the U.S. Department of Agriculture – Rural Development (USDA-RD).

Basis of Consolidation - The consolidated financial statements include the statements of financial position and results of operations of the following not legally separated entities, owned by CSC: Management, Assisted Living, Support and Services at Home (SASH), Memory Care at Allen Brook, Ruggles House, Heineberg Senior Housing, Whitcomb Terrace, and CSC McAuley. The statements also include CSC Partners Inc., a wholly owned subsidiary of CSC.

Management - CSC provides management services on a contractual basis. These services include leasing, accounting, management, maintenance, and assistance with compliance with regulatory agreements. In addition, Management provides services to entities that are independent of CSC. These services consist of management and maintenance of housing projects along with other special assistance designed to improve the quality of life of the residents of the projects.

Assisted Living and Memory Care Operations - Assisted living operations consist of the Assisted Living Residence at Cathedral Square Senior Living consisting of 31 units within the 108 unit building located at 3 Cathedral Square, Burlington, Vermont, and Memory Care at Allen Brook, a 14-unit housing project for tenants with dementia. Personal care services are available 24 hours a day and three meals per day are provided.

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, obtain access to care and support services they need to stay healthy while living comfortably and safely at home.

Housing Projects:

Ruggles House - A 15-unit housing project for elderly low-income residents.

Heineberg Senior Housing - An 82-unit housing project for low-income residents.

Whitcomb Terrace - A 19-unit housing project for elderly low-income residents; acquired on October 1, 2021.

CSC McAuley - A 75-unit housing project for elderly low-income residents.

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

Method of Accounting - The financial statements of CSC 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 CSC'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 CSC 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, cash equivalents and restricted cash includes cash on hand and amounts due from banks.

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

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

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

The development services provided in the construction or rehabilitation of a housing project are highly interrelated and are considered a single performance obligation. Transactions prices are readily determined through review of the provisions of the development agreement, which specify the total contract price. Development fees earned are paid from the project's equity and debt proceeds at various points during the construction of the project. Due to the presence of a singular performance obligation, the transaction price is wholly allocated to that obligation. The fees are recognized and the performance obligation is satisfied over the development period beginning when the project is assured of being constructed, as evidenced by the admission of an equity partner, as units are delivered or based on the external construction costs incurred as a percentage of the total external construction costs expected and concluding with the application for final allocation of tax credits.

The aggregate balance of development fee transaction prices allocated to partially completed performance obligations at September 30, 2025 was $544,584. The remaining balance of the partially completed performance obligations less any portion not paid by the equity partner are expected to be recognized within the next two years, at the date of substantial completion for the individual projects. CSC determines its estimates of transaction price allocation, contractual adjustments and the timing of performance obligation satisfaction based on historical experience and contractual agreements. Development fees receivable totaled $883,401 as of September 30, 2025.

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

Resident Services Fees - CSC provides resident services on a contractual basis for residents of Assisted Living and Memory Care at Allen Brook. Residents enter into admissions agreements when they sign a lease that explains the services provided, the cost of services, and the rights and responsibilities of the residents. The term of the agreements are for one month and continue for successive terms of one month unless and until it is terminated.

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

The services outlined in the admissions agreement are highly interrelated and are accounted for as a single performance obligation. The transaction price is fully allocated to this performance obligation. For private-pay residents, the transaction price is determined based on the service package rates specified in the admissions agreement. For residents eligible for Medicaid, the transaction price is based on published Vermont state reimbursement rates and related communications issued to residents by CSC.

The transaction price may include variable consideration. Variable consideration primarily consists of potential retroactive adjustments from Medicaid audits or reviews, as well as changes in resident level-of-care billing. Variable consideration is estimated using the most likely amount method and is included in the transaction price to the extent it is probable that a significant reversal will not occur when the uncertainty is resolved. Any adjustments to estimates of variable consideration are recorded in the period they become known.

Residents simultaneously receive and consume the benefits of the services provided over the term of the agreement. Given the short-term, month-to-month nature of the contracts and the consistent pattern of service delivery, revenue is recognized at a point in time at the end of each month. Resident services receivable totaled $390,638 as of September 30, 2025.

Judgment is required in evaluating whether variable consideration should be included in the transaction price and in determining the timing of satisfaction of the performance obligation. CSC determines its estimates of transaction price allocation, contractual adjustments and the timing of performance obligation satisfaction based on historical experience and contractual agreements.

<u>Allowance For Credit Losses</u> - The allowance for credit losses represents an estimate of the lifetime expected credit losses inherent in receivables as of the consolidated statement of financial position date. Resident services receivables are derived from services offered to residents of low income housing properties that are owned by CSC.

When receivables share similar risk characteristics such as the project owner, the financial position of the project, the length of project management, and geography, the lifetime expected credit loss allowance is estimated using an aging method. Receivables that do not share risk characteristics are evaluated on an individual basis using the same methodology.

CSC's aging method considers historical loss information, adjusted to reflect consideration of current conditions and reasonable and supportable forecasts, such as observable changes in recent or expected economic trends and conditions, portfolio composition, and other relevant factors. Due to the use of projections and assumptions in estimating the losses, the amount of losses actually incurred by CSC could differ from the amounts estimated.

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

Residential Rental Leases - CSC's rental revenue consists of rent earned from leasing residential units to tenants for terms of up to twelve months for a fixed base rent, due on the first of the month. The leases may contain the option to renew for successive terms of up to 12 months. CSC assesses whether a contract contains a lease at inception. All residential rental leases have been classified as operating leases. Rental revenue is recognized on the straight-line basis over the lease term. Advance receipts of lease payments are deferred until earned.

Lease Receivables - Management reviews lease receivables periodically for collectability. If management determines that collection of any lease receivable balance is not probable, it is recognized as an adjustment against rental revenue in the period in which the determination is made.

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

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

Unconditional promises to give with payments due in future periods are discounted to present value and reported as revenue with donor restrictions. CSC uses the allowance method to determine uncollectible pledges. Management's estimate of the allowance is based on historical collection experience, a review of the current status of the receivables, and reasonable and supportable forecasts. It is reasonably possible that management's estimate of the allowance will change.

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

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.

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

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 statement of financial position.

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 were no impairment charges during the year ended September 30, 2025.

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.

Advertising - CSC expenses advertising costs as they are incurred.

Classification of Net Assets - Net assets of CSC 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 have 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 CSC. 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 support 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.

Subsequent Events - Subsequent events have been evaluated through February 4, 2026, the date the financial statements were available to be issued.

NOTE 2 - NOTES RECEIVABLE - MANAGEMENT

The Notes Receivable at September 30, 2025 were as follows:

Partnership Name	2025
Essex Senior Housing LP	$ 138,656
Kelly's Field II LP	1,125,000
Richmond Terrace, LP	269,500
Reid Commons LP	687,194
Whitcomb Woods Apartments LP	85,100
TSH Limited Partnership	107,804
TSH 2 Limited Partnership	4,543,800
Essex Senior Housing LP	5,392,200
Farrell Street Senior Housing LP	3,527,800
Total	$15,877,054

An allowance has been recorded for the notes receivable that are not expected to be collected upon maturity. The allowances at September 30, 2025 were as follows:

Partnership Name	2025
Essex Senior Housing LP	$ 138,656
Kelly's Field II LP	1,125,000
Richmond Terrace, LP	269,500
Reid Commons LP	687,194
Whitcomb Woods Apartments LP	85,100
Total	$ 2,305,450

NOTE 3 - LONG-TERM DEBT

Long-term debt at September 30, 2025 consists of the following:

Lender	Property	Interest Rate	Payments	Maturity	2025
National Housing Trust Community	Heineberg Sr. Housing	3.0%	$715/Mo	December 31, 2025	$ 2,133
Vermont Housing and Conservation Board	Ruggles House	0%	Deferred	October 31, 2031	195,000

NOTE 3 - LONG-TERM DEBT (Continued)

Lender	Property	Interest Rate	Payments	Maturity	2025
Vermont Housing and Conservation Board	Ruggles House	0%	Deferred	October 31, 2031	98,500
	Heineberg Sr. Housing	0%	Deferred	March 10, 2035	625,000
	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
	Whitcomb Terrace	0%	Deferred	July 21, 2034	400,000
	Whitcomb Terrace	0%	Deferred	July 21, 2034	135,000
	Whitcomb Terrace	0%	Deferred	July 21, 2034	390,000
Village of Essex Junction	Whitcomb Terrace	0%	Deferred	December 17, 2034	260,000
City of Burlington	Ruggles House	0%	Deferred	Sale/Change of Use	110,000
	Ruggles House	0%	Deferred	July 16, 2050	164,950
	Heineberg Sr. Housing	0%	Deferred	Sale/Change of Use	150,000
	CSC McAuley LLC	0%	Deferred	August 28, 2047	150,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	80,000
Champlain Housing Trust	Ruggles House	0%	Deferred	December 31, 2031	250,000
	CSC McAuley LLC	0%	Deferred	August 28, 2047	148,000
Vermont Housing Finance Agency	Heineberg Sr. Housing	3.36%	$7,943/ Mo	April 1, 2036	1,634,400
	CSC McAuley LLC	5.054 %	$17,284/ Mo	March 1, 2047	2,716,221
	CSC McAuley LLC	0%	Deferred	March 1, 2047	510,320
	Memory Care at Allen Brook	0%	Deferred	December 11, 2047	262,000
Total					9,504,024
Less Current Portion					114,937
Net Long-Term Debt					$ 9,389,087

NOTE 3 - LONG-TERM DEBT (Continued)

The mortgage notes payable are secured by real estate and personal property.

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

Year Ending September 30	Total Amount
2026	$ 114,937
2027	117,917
2028	123,269
2029	128,873
2030	134,741
Thereafter	8,884,287
Total	$ 9,504,024

NOTE 4 - DEFERRED INTEREST PAYABLE

Various entities or projects have deferred interest payable arrangements at September 30, 2025 as follows:

Heineberg Senior Housing - Note Payable - VHFA	$ 1,147,831
Heineberg Senior Housing - Note Payable - VHCB	228,136
Ruggles House - 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
Whitcomb Terrace - Note Payable - VHCB	725,171
Total	$ 3,405,393

NOTE 5 - RETIREMENT PLAN

CSC maintains defined contribution retirement plans for its employees under Section 403(b) of the Internal Revenue Code. Contributions are made by CSC and, in addition, employees may make voluntary, tax-deferred contributions from their compensation. CSC also funds a Section 457(b) defined contribution plan for the Chief Executive Officer. During the year ended September 30, 2025, employer contributions to the retirement plans totaled $328,500.

NOTE 6 - RESTRICTED ESCROW ACCOUNTS

CSC’s properties have various regulatory agreements with 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 monthly deposits 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

Financial instruments that potentially subject CSC to concentrations of credit risk consist primarily of deposits with banks and financial institutions. These balances fluctuate during the year and can exceed the $250,000 limit of FDIC coverage, however, CSC has not experienced any losses with respect to its bank balances in excess of government provided insurance. At September 30, 2025, CSC had cash on deposit with banks and financial institutions totaling $4,266,532, of which $1,570,980 was insured by the FDIC. CSC also had $4,280,196 in a master treasury management services agreement which was fully insured by the FDIC. The maximum amount of loss due to credit risk at September 30, 2025 was $2,695,552, all of which was covered by a surety bond.

NOTE 8 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

A substantial portion of CSC's assets are concentrated in multifamily real estate within the State of Vermont. CSC 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 VHFA and the U.S. 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 costs including the additional burden to comply with the changes and the inability to pay fees owed to CSC.

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 2025, fees charged to these entities for management, administrative, maintenance, and resident services totaled $4,783,552. At September 30, 2025, CSC was owed $352,951 from these entities, all of which is included in Accounts Receivable - Related Parties.

Residents at CSSL Limited Partnership pay fees for resident services, which are transferred to Assisted Living. At September 30, 2025, CSC was owed $121,994 from CSSL Limited Partnership for these services, all of which is included in Accounts Receivable - Related Parties.

Development fees earned for the development of property at Whitcomb Woods Apartments LP, Kelley's Field II Limited Partnership and Reid Commons Limited Partnership totaled $807,556 in the year ended September 30, 2025.

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 2025 totaled $25,520.

NOTE 10 - ENDOWMENT

CSC 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 Corporation classifies the endowment as 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 objective of CSC's investment policy is to maximize the total return of financial assets within the parameters of a prudent investor's level of risk given a long-term horizon. It is the intention that the investments be managed with the objectives of protecting principal from both market value and inflationary erosion. To accomplish these objectives, it is the general policy to diversify investment funds across a broad class of assets.

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, 2025 was $1,299,087. The full balance has been recorded as net assets with donor restrictions.

Changes in Endowment Net Assets consisted of the following:

Beginning Balance	$1,217,467
Interest and Dividends	30,977
Net Appreciation	109,549
Less: Investment Fees	(7,157)
Distributions	(51,749)
Total Endowment Net Assets	1,299,087
Net Assets Without Donor Restrictions	-
Net Assets With Donor Restrictions	$1,299,087

NOTE 11 - BOARD-DESIGNATED INVESTMENTS

CSC has established an investment account with funds designated by the Board of Directors of CSC. The Board of Directors has approved the transfer of $500,000 into the board designated investment fund. Investment objectives include the growth of the original corpus, 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 Investment as of September 30, 2025 was $691,676.

Beginning Balance	$ 614,804
Interest and Dividends	15,693
Net Appreciation	64,914
Less: Investment Fees	(3,735)
Total Investments	$ 691,676

NOTE 12 - INVESTMENTS

Pursuant to the FASB ASC 820-10-50, CSC 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 CSC’s endowment and board-designated investments were calculated using the following input data as of September 30, 2025:

Level 1 Inputs:	
Cash	$ 84,494
Equity Exchange Traded Securities	487,014
Fixed Income Exchange Traded Securities	249,996
Bonds	254,764
Common Stock	914,495
Total	$1,990,763

Return on Investment consisted of the following:

Interest and Dividends	$ 46,670
Gain on the Sale of Investments	49,667
Unrealized Gain on Investments	124,796
Total Return on Investment	$ 221,133

NOTE 13 - REFUNDABLE ADVANCES

In conjunction with the construction of the projects, pursuant to Section 811 of the National Housing Act, HUD issued refundable advances as follows:

Projects	Interest Rate	Payments	Maturity	2025
Essex Senior Housing LP	0%*	Deferred	February 1, 2049	$ 5,392,200
Farrell Street Senior Housing LP	0%	Deferred	May 1, 2047	3,527,800
TSH Two Limited Partnership	0%	Deferred	October 1, 2053	4,543,800
Total				$13,463,800

*In the event of default, the loan bears interest at 5.25%.

The refundable advances are secured by a mortgage on the respective properties. No repayment is required so long as the use restrictions are maintained.

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

NOTE 14 - DEVELOPMENT PROJECTS

As of September 30, 2025, CSC had incurred costs in the amount of $89,711 related to the development or redevelopment of various properties. These costs are expected to be reimbursed by the associated entities once the project closes on development financing.

NOTE 15 - SELF INSURANCE

CSC maintains a self-insurance program for unemployment costs of former employees who terminate their employment with CSC. CSC is liable for direct reimbursement of 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 CSC’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, 2025, the total accrued liability for self-insurance costs was $6,300.

NOTE 16 - 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 17 - ENTITIES OMITTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements do not include the Limited Partnerships controlled by either Cathedral Square Corporation (CSC) or CSC Partners Inc., a wholly owned subsidiary of 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 (.01%)	TSH Two Limited Partnership (.01%)
Essex Senior Housing LP (100%)	Rail City Housing LP (.01%)
GWC II Limited Partnership (.01%)	TSH Limited Partnership (.01%)
Richmond Terrace LP (100%)	Elm Place Limited Partnership (.01%)
SH Limited Partnership (.01%)	Farrell Street Senior Housing LP (100%)
Allard Square Limited Partnership (.01%)	Juniper South Allocated LP (.01%)
Juniper North Bond LP (.01%)	WHH Limited Partnership (.01%)
Bayview Crossing Limited Partnership (.01%)	Whitcomb Woods Housing LP* (100%)
Reid Commons Limited Partnership (.01%)	Whitcomb Woods Apartments LP* (.01%)

*On June 18, 2025, Whitcomb Woods Housing Limited Partnership discontinued operations and sold the property to Whitcomb Woods Apartments LP.

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. Equity investments made by CSC to the unconsolidated entities at September 30, 2025 was $13,937,276. Equity investments are accounted for under the equity method.

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 after related party eliminations would have increased by $97,793,505, $56,033,423 and $41,760,082, respectively, and revenue and expenses would have increased by $6,797,102 and $9,700,441, respectively, at September 30, 2025.

NOTE 18 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

CSC'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, CSC receives development fees, grants, and donations.

CSC 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.

The following reflects CSC'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.

Cash and Cash Equivalents	$ 8,321,358
Grants Receivable	912,650
Accounts Receivable - Tenant	81,081
Accounts Receivable - Related Parties	474,947
Accounts Receivable - Resident Services	390,638
Board-Designated Investments	691,676
Endowment Fund	1,299,087
Total Financial Assets	12,171,437
Less Donor and Contractually Restricted Balances:	
Restricted Escrow Accounts	(1,680,152)
Endowment Fund - Donor Restricted	(1,299,087)
Board-Designated Investments	(691,676)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 8,500,522

NOTE 19 - 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 and Cash Equivalents	$ 6,641,206
Restricted Escrow Accounts	1,680,152
Tenant Security Deposits	139,145
Total Cash, Cash Equivalents and Restricted Cash Accounts	$ 8,460,503

NOTE 20 - 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 21 - NET ASSETS

Net Assets without Donor Restrictions

In accordance with FASB Codification *ASC 958-205 Not-for-Profit Entities Presentation of Financial Statements*, many of CSC's net assets are classified for accounting purposes as without donor restrictions.

Net assets without donor restrictions are comprised of the following at September 30, 2025:

Board Designated Investment Fund	$ 691,676
Undesignated	22,265,918
Total	$22,957,594

Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of the following at September 30, 2025 are as follows:

Endowment	$ 1,299,087
Total	$ 1,299,087

Previously, Memory Care at Allen Brook received a $1,000,000 donation pledge from the Holly and Bob Miller Charitable Fund, a Donor Advised Fund of the Vermont Community Foundation, with the requirement that the funds be used for Memory Care at Allen Brook. The funds were received in October 2024 and were fully expended during the period under audit. As of September 30, 2025, the grant funds had been released from donor restriction.

Previously, CSC received a $150,000 donation from The Harry and Jeanette Weinberg Foundation Incorporated to support the construction of Reid Commons, a 33-unit affordable housing project. The funds were passed through to Reid Commons during the period under audit. As of September 30, 2025, the donated funds had been released from donor restriction.

NOTE 22 - CONTRIBUTION OF NONFINANCIAL ASSETS AND CASH AND OTHER FINANCIAL ASSETS

During the year ended September 30, 2025, Whitcomb Woods Housing Limited Partnership contributed real property (land and building) to CSC in connection with the sale to Whitcomb Woods Apartments, LP. The real property was contributed below market value, as substantiated by an appraisal based on relevant market data for comparable assets (level 2 inputs in the fair value hierarchy). The difference between the sales price and fair market value of the real property has been reflected as a contribution of nonfinancial assets in the amount of $5,957,241 on the Consolidated Statement of Activities and Change in Net Assets. There were no donor restrictions on the contributed assets.

During the year ended September 30, 2025, Whitcomb Woods Housing Limited Partnership also contributed cash and other financial assets to CSC in connection with the sale to Whitcomb Woods Apartments, LP. The value of the cash and financial assets totaled $1,230,211 and has been reflected as a contribution of cash and other financial assets on the Consolidated Statement of Activities and Change in Net Assets.

All contributed real property and cash and other financial assets were invested in Whitcomb Woods Apartments, LP during 2025 and reflected as equity investments on the Consolidated Statement of Financial Position.

SUPPLEMENTARY INFORMATION

CATHEDRAL SQUARE CORPORATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2025

ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Sr. Housing	Whitcomb Terrace	CSC McAuley LLC	Eliminations	Total
CURRENT ASSETS										
Cash and Cash Equivalents	$ 5,188,874	$ 87,176	$ 772,224	$ 454,652	$ 3,584	$ 11,201	$ 85,510	$ 37,985	$ -	$ 6,641,206
Accounts Receivable - Tenant	4,512	-	38,703	1,875	16,260	3,654	1,542	14,535	-	81,081
Accounts Receivable - Related Parties	880,985	121,994	-	-	-	-	-	-	(528,036)	474,943
Accounts Receivable - Resident Services	-	275,798	-	114,840	-	-	-	-	-	390,638
Grants Receivable	204,224	-	698,272	-	10,154	-	-	-	-	912,650
Prepaid Expenses	224,129	3,428	25,792	856	736	19,860	22,546	19,377	-	316,724
Total Current Assets	6,502,724	488,396	1,534,991	572,223	30,734	34,715	109,598	71,897	(528,036)	8,817,242
RESTRICTED DEPOSITS AND FUNDED RESERVES										
Restricted Escrow Accounts	117,733	-	-	103,755	43,174	570,232	379,599	465,659	-	1,680,152
Tenant Security Deposits	-	-	-	7,318	8,639	63,804	10,831	48,553	-	139,145
Total Restricted Deposits and Funded Reserves	117,733	-	-	111,073	51,813	634,036	390,430	514,212	-	1,819,297
OTHER ASSETS										
Notes Receivable	13,678,714	-	-	-	-	-	-	-	(107,110)	13,571,604
Equity Investments	13,937,276	-	-	-	-	-	-	-	-	13,937,276
Development Projects	99,865	-	-	-	-	-	-	-	(10,154)	89,711
Development Fees Receivable	883,401	-	-	-	-	-	-	-	-	883,401
Endowment	1,299,087	-	-	-	-	-	-	-	-	1,299,087
Investments in Debt and Equity Securities	691,676	-	-	-	-	-	-	-	-	691,676
Total Other Assets	30,590,019	-	-	-	-	-	-	-	(117,264)	30,472,755
PROPERTY AND EQUIPMENT										
Land and Improvements	-	-	-	299,488	-	109,348	70,946	585,974	-	1,065,756
Building and Improvements	-	-	-	1,386,275	1,242,298	5,352,926	1,493,982	5,572,365	-	15,047,846
Furniture, Fixtures and Equipment	249,379	-	-	81,906	20,270	141,872	24,292	32,266	-	549,985
Total	249,379	-	-	1,767,669	1,262,568	5,604,146	1,589,220	6,190,605	-	16,663,587
Less Accumulated Depreciation	(242,597)	-	-	(384,541)	(328,667)	(3,121,452)	(161,116)	(1,267,743)	-	(5,506,116)
Net Property and Equipment	6,782	-	-	1,383,128	933,901	2,482,694	1,428,104	4,922,862	-	11,157,471
TOTAL ASSETS	$ 37,217,258	$ 488,396	$ 1,534,991	$ 2,066,424	$ 1,016,448	$ 3,151,445	$ 1,928,132	$ 5,508,971	$ (645,300)	$ 52,266,765

CATHEDRAL SQUARE CORPORATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
(Continued)

September 30, 2025

LIABILITIES AND NET ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Sr. Housing	Whitcomb Terrace	CSC McAuley, LLC	Eliminations	Total
CURRENT LIABILITIES										
Accounts Payable	$ 30,783	$ 3,003	$ 146,412	$ 17,895	$ 30,186	$ 17,603	$ 3,994	$ 36,155	$ (38,513)	$ 247,518
Accrued Interest Payable	-	-	-	-	-	4,576	-	11,440	-	16,016
Other Accrued Liabilities	641,835	35,689	523,911	27,763	1,466	11,948	2,155	2,387	-	1,247,154
Due to Intercompany	-	213,710	86,858	162,135	-	-	-	36,974	(499,677)	-
Prepaid Revenue	2,088	2,505	-	8,014	395	200	88	326	-	13,616
Current Portion of Long-term Debt	-	-	-	-	3,153	43,159	-	71,778	(3,153)	114,937
Total Current Liabilities	674,706	254,907	757,181	215,807	35,200	77,486	6,237	159,060	(541,343)	1,639,241
DEPOSIT LIABILITIES										
Tenant Security Deposit and Interest	4,345	-	-	7,318	8,639	63,804	10,831	48,552	-	143,489
Resident Service Deposits	2,333	9,498	-	-	-	-	-	976	-	12,807
Total Deposit Liabilities	6,678	9,498	-	7,318	8,639	63,804	10,831	49,528	-	156,296
LONG-TERM DEBT										
Notes Payable	-	-	-	262,000	815,297	2,368,374	1,185,000	4,755,263	3,153	9,389,087
Less Deferred Loan Fees	-	-	-	-	-	(23,808)	-	(19,925)	-	(43,733)
Other Note Payable	-	-	-	-	127,110	-	-	-	(127,110)	-
Deferred Interest Payable	-	-	-	-	117,613	1,375,967	725,171	1,186,642	-	3,405,393
Refundable Advances	13,463,800	-	-	-	-	-	-	-	-	13,463,800
Total Long-term Debt	13,463,800	-	-	262,000	1,060,020	3,720,533	1,910,171	5,921,980	(123,957)	26,214,547
Total Liabilities	14,145,184	264,405	757,181	485,125	1,103,859	3,861,823	1,927,239	6,130,568	(665,300)	28,010,084
NET ASSETS										
Net Assets Without Donor Restrictions	21,772,987	223,991	777,810	1,581,299	(87,411)	(710,378)	893	(621,597)	20,000	22,957,594
Net Assets With Donor Restrictions	1,299,087	-	-	-	-	-	-	-	-	1,299,087
TOTAL NET ASSETS	23,072,074	223,991	777,810	1,581,299	(87,411)	(710,378)	893	(621,597)	20,000	24,256,681
TOTAL LIABILITIES AND NET ASSETS	$ 37,217,258	$ 488,396	$ 1,534,991	$ 2,066,424	$ 1,016,448	$ 3,151,445	$ 1,928,132	$ 5,508,971	$ (645,300)	$ 52,266,765

CATHEDRAL SQUARE CORPORATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended September 30, 2025

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Sr. Housing	Whitcomb Terrace	CSC McAuley, LLC	Eliminations	Total
REVENUES										
Rental Revenue	$ -	$ -	$ -	$ 148,512	$ 190,007	$ 1,017,044	$ 270,108	$ 1,138,713	$ -	$ 2,764,384
Net Resident Services Revenue	-	1,747,584	-	1,329,147	-	-	-	-	-	3,076,731
Management and Related Service Fees	6,034,359	-	-	-	-	-	-	-	(1,250,807)	4,783,552
Development Fees	807,556	-	-	-	-	-	-	-	-	807,556
Contributions of Nonfinancial Assets	5,957,241	-	-	-	-	-	-	-	-	5,957,241
Contributions of Cash and Other Financial Assets	1,230,211	-	-	-	-	-	-	-	-	1,230,211
Grant Income	2,775,144	11,696	5,389,722	18,386	10,154	-	-	-	-	8,205,102
Donations	221,620	-	5,600	27,368	-	-	-	-	-	254,588
Investment Income	221,133	-	-	-	-	-	-	-	-	221,133
Interest Income	108,284	-	-	2,135	1,208	14,818	2,004	87	(3,863)	124,673
Other Income	128,327	-	330,913	3,653	6,515	27,912	108,376	64,982	(153,749)	516,929
TOTAL SUPPORT AND REVENUE	17,483,875	1,759,280	5,726,235	1,529,201	207,884	1,059,774	380,488	1,203,782	(1,408,419)	27,942,100
EXPENSES										
Program Services	4,907,225	1,574,182	5,708,925	1,561,487	226,705	1,038,158	254,460	1,135,476	(778,953)	15,627,665
Management and General	3,681,828	102,000	-	156,866	40,048	127,767	39,500	111,536	(629,466)	3,630,079
Fundraising	50,438	-	-	-	-	-	-	-	-	50,438
TOTAL OPERATING EXPENSES	8,639,491	1,676,182	5,708,925	1,718,353	266,753	1,165,925	293,960	1,247,012	(1,408,419)	19,308,182
INCREASE (DECREASE) IN NET ASSETS	8,844,384	83,098	17,310	(189,152)	(58,869)	(106,151)	86,528	(43,230)	-	8,633,918
TOTAL NET ASSETS, Beginning of Year	14,227,690	140,893	760,500	1,770,451	(28,542)	(604,227)	(85,635)	(578,367)	20,000	15,622,763
TOTAL NET ASSETS, End of Year	$ 23,072,074	$ 223,991	$ 777,810	$ 1,581,299	$ (87,411)	$ (710,378)	$ 893	$ (621,597)	$ 20,000	$ 24,256,681
CHANGES TO NET ASSETS WITHOUT DONOR RESTRICTIONS:										
BEGINNING OF THE YEAR	$ 12,860,223	$ 140,893	$ 760,500	$ 770,451	$ (28,542)	$ (604,227)	$ (85,635)	$ (578,367)	$ 20,000	$ 13,255,296
Total Support and Revenue	17,343,350	1,759,280	5,726,235	1,529,201	207,884	1,059,774	380,488	1,203,782	(1,408,419)	27,801,575
Net Assets Released from Restriction	208,905	-	-	1,000,000	-	-	-	-	-	1,208,905
Total Operating Expenses	(8,639,491)	(1,676,182)	(5,708,925)	(1,718,353)	(266,753)	(1,165,925)	(293,960)	(1,247,012)	1,408,419	(19,308,182)
NET ASSETS WITHOUT DONOR RESTRICTIONS , END OF YEAR	$ 21,772,987	$ 223,991	$ 777,810	$ 1,581,299	$ (87,411)	$ (710,378)	$ 893	$ (621,597)	$ 20,000	$ 22,957,594
CHANGES TO NET ASSETS WITH DONOR RESTRICTIONS:										
BEGINNING OF THE YEAR	$ 1,367,467	$ -	$ -	$ 1,000,000	$ -	$ -	$ -	$ -	$ -	$ 2,367,467
Total Support and Revenue	140,525	-	-	-	-	-	-	-	-	140,525
Net Assets Released from Restriction	(208,905)	-	-	(1,000,000)	-	-	-	-	-	(1,208,905)
NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR	$ 1,299,087	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,299,087

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2025

MANAGEMENT

REVENUES		
Management and Related Service Fees	$	6,034,359
Development Fees		807,556
Contributions of Nonfinancial Assets		5,957,241
Contributions of Cash and Other Financial Assets		1,230,211
Grant Income		2,775,144
Donations		221,620
Realized Gain on Investments		49,667
Unrealized Gain on Investments		124,796
Income from Investments		46,670
Interest Income		108,284
Other Income		128,327
Total Revenues		17,483,875
EXPENSES		
Administrative		
Salaries		1,028,754
Payroll Taxes		77,090
Pension		48,898
Life/Disability		14,570
Insurance		349,209
Workers Compensation		8,776
Total Administrative Expenses		1,527,297
Housing Operations		
Salaries		1,941,599
Payroll Taxes		150,800
Pension		74,298
Life/Disability		20,192
Insurance		529,251
Workers Compensation		42,850
Total Housing Operations Expenses		2,758,990
Housing Services		
Salaries		1,252,742
Payroll Taxes		97,550
Pension		47,041
Life/Disability		13,440
Insurance		353,617
Workers Compensation		16,417
Total Housing Services Expenses		1,780,807

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2025

MANAGEMENT

Development	
Salaries	262,308
Payroll Taxes	19,176
Pension	12,521
Life/Disability	2,763
Insurance	57,269
Workers Compensation	2,239
Travel	2,801
Miscellaneous	8,351
Total Development Expenses	367,428
Grants	
Housing Services Grant Expense	6,725
Other Grant Expense	4,374
Total Grant Expenses	11,099
Unallocated Expenses	
Vehicle	3,069
Dues and Subscriptions	8,174
Telephone	32,309
Office Expense	13,709
Education	29,073
Rent	36,000
Audit	32,533
Legal	4,811
Computer	138,471
Depreciation	1,621
Postage	13,600
Printing	701
Employee Appreciation	5,622
Travel	11,367
Marketing	3,556
Contributions	27,193
Investment Expenses	62,639
Bad Debt - Notes Receivable	1,626,294
Other	143,128
Total Unallocated Expenses	2,193,870
Total Operating Expenses	8,639,491
INCREASE IN NET ASSETS	$ 8,844,384

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2025

ASSISTED LIVING OPERATIONS

	Personal Care	Kitchen	Unallocated	Total
REVENUES				
Resident Services	$ 1,503,193	$ 244,391	$ -	$ 1,747,584
Grant Income	11,696	-	-	11,696
Total Revenues	1,514,889	244,391	-	1,759,280
EXPENSES				
Salaries	900,786	137,090	-	1,037,876
Agency Call Out	120,230	-	-	120,230
Payroll Taxes	70,136	10,819	-	80,955
Health Insurance	98,196	24,909	-	123,105
Life/Disability	6,033	1,205	-	7,238
Workers Compensation	22,420	3,013	-	25,433
Pension	31,050	4,190	-	35,240
Education	1,400	-	-	1,400
Supplies	11,906	15,652	-	27,558
Food	-	98,983	-	98,983
Travel	212	8	-	220
Other	1,138	14,806	-	15,944
Asset Management Fees	-	-	50,000	50,000
Donation	-	-	52,000	52,000
Total Operating Expenses	1,263,507	310,675	102,000	1,676,182
INCREASE (DECREASE) IN NET ASSETS	$ 251,382	$ (66,284)	$ (102,000)	$ 83,098

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2025

SASH

REVENUES	
Grant Income	$ 5,389,722
Donations	5,600
Other Income	330,913
Total Revenues	5,726,235
EXPENSES	
Salaries	2,367,874
Payroll Taxes	176,213
Health Insurance	635,536
Life/Disability	22,795
Workers Compensation	25,991
Pension	92,894
Recruitment	4,474
Education	26,894
Supplies	2,333
Legal	2,020
Travel	14,228
Consulting	6,000
Information Technology	26,997
Nursing	13,848
Functional Team	4,063
Grant Expenditures	2,228,943
Other	57,822
Total Operating Expenses	5,708,925
INCREASE IN NET ASSETS	$ 17,310

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2025

MEMORY CARE AT ALLEN BROOK

REVENUES	
Tenant Rental Income	$ 71,866
Rental Assistance	76,646
Resident Services	1,329,147
Donations	27,368
Grant Income	18,386
Interest Income	2,135
Other Income	3,653
Total Revenues	1,529,201
EXPENSES	
Administrative	
Management Fees	11,256
Administrative Salaries	89,736
Legal and Accounting	13,137
Other Administrative	16,997
Total Administrative	131,126
Resident Services	
Salaries	659,730
Agency Call Out	291,430
Payroll Taxes	50,227
Pension	17,608
Life/Disability	4,604
Insurance	163,867
Workers Compensation	16,122
Resident Services	55,484
Food	45,299
Supplies	11,597
Other	360
Total Resident Services	1,316,328
Utilities	
Electricity	15,399
Fuel	7,731
Water and Sewer	5,702
Other Utilities	10,550
Total Utilities	39,382

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2025

MEMORY CARE AT ALLEN BROOK

Maintenance and Repairs	
Maintenance Salaries	36,384
Cleaning and Supplies	14,403
Maintenance Contracts	33,069
Trash Removal	2,602
Snow Removal	9,710
Miscellaneous Maintenance	877
Total Maintenance and Repairs	97,045
General Expenses	
Payroll Taxes	14,304
Property and Liability Insurance	3,655
Health Insurance	59,544
Workers Compensation	4,680
Depreciation	52,289
Total General Expenses	134,472
Total Operating Expenses	1,718,353
DECREASE IN NET ASSETS	$ (189,152)

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2025

RUGGLES HOUSE

REVENUES	
Tenant Rental Income	$ 100,832
Rental Assistance	89,175
Interest Income	1,208
Grant Income	10,154
Other Income	6,515
Total Revenues	207,884
EXPENSES	
Administrative	
Management Fees	8,760
Administrative Salaries	26,412
Legal and Accounting	6,622
Other Administrative	12,702
Total Administrative	54,496
Resident Services	10,416
Utilities	
Electricity	11,560
Fuel	9,106
Water and Sewer	5,690
Other Utilities	4,386
Total Utilities	30,742
Maintenance and Repairs	
Maintenance Salaries	19,236
Cleaning and Supplies	3,402
Maintenance Contracts	38,901
Trash Removal	3,722
Snow Removal	7,588
Miscellaneous Maintenance	1,270
Total Maintenance and Repairs	74,119

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2025

RUGGLES HOUSE

General Expenses	
Property and Liability Insurance	6,609
Real Estate Taxes	8,072
Payroll Taxes	4,296
Health Insurance	17,868
Workers Compensation	1,404
Interest Expense	3,863
Depreciation	44,714
Total General Expenses	86,826
Other Operating Expenses	
Grant	10,154
Total Expenses	266,753
DECREASE IN NET ASSETS	$ (58,869)

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2025

WHITCOMB TERRACE

REVENUES	
Tenant Rental Income	$ 118,731
Rental Assistance	151,377
Interest Income	2,004
Other Income	108,376
Total Revenues	380,488
EXPENSES	
Administrative	
Management Fees	15,936
Administrative Salaries	27,252
Legal and Accounting	8,601
Other Administrative	6,053
Total Administrative	57,842
Resident Services	4,163
Utilities	
Electricity	19,797
Fuel	6,716
Water and Sewer	7,884
Total Utilities	34,397
Maintenance and Repairs	
Maintenance Salaries	31,944
Cleaning and Supplies	4,684
Maintenance Contracts	23,488
Trash Removal	4,506
Snow Removal	8,000
Miscellaneous Maintenance	21,211
Total Maintenance and Repairs	93,833

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2025

WHITCOMB TERRACE

General Expenses	
Property and Liability Insurance	14,524
Real Estate Taxes	22,148
Payroll Taxes	4,848
Health Insurance	20,172
Workers Compensation	1,584
Depreciation	40,449
Total General Expenses	103,725
Total Expenses	293,960
INCREASE IN NET ASSETS	$ 86,528

CATHEDRAL SQUARE CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2025

Federal Grantor/ Pass-through Grantor	Grant, Program or Cluster Title	Assistance Listing Number	Identifying Number	Federal Expenditures	Passed Through to Subrecipients
United States Department of Health and Human Services					
Pass Through					
State of Vermont, Department of Disabilities, Aging and Independent Living	Medicaid Cluster - Medicaid Assistance Program	93.778	03460-7-2692, 03460-7-2623	$ 565,665	$ 179,704
State of Vermont, Department of Vermont Health Access	Medicaid Cluster - Medicaid Assistance Program	93.778	03410-2315-22	145,228	-
State of Vermont, Agency of Human Services	Medicaid Cluster - Medicaid Assistance Program	93.778	03400-CS-HCBS-SASH-FY23	204,628	-
Total Medicaid Cluster				915,521	179,704
State of Vermont, Department of Health	Diabetes and Cardiovascular Health	93.426	03420-10601, 03420-10360	49,569	-
State of Vermont, Department of Health	Diabetes and Cardiovascular Health	93.391	03420-10360	1,463	-
State of Vermont, Department of Health	Health Promotion and Disease Prevention	93.988	03420-10360	34,421	-
State of Vermont, Department of Health	Health Promotion and Disease Prevention	93.945	03420-10202, 03420-10606	23,173	-
Substance Abuse and Mental Health Services Administration	Embedded Mental Health Support in SASH Housing	93.493	H79FG001018, H79FG001370	1,277,007	729,539
State of Vermont, Department of Disabilities	Money Follows the Person Grant	93.791	47455	12,905	-
Alzheimer's Disease and Related Disorders Association, Inc.	Center for Dementia Respite Innovation	93.470		16,986	-
Total United States Department of Health and Human Services				2,331,045	909,243
United States Department of Housing & Urban Development (HUD)					
Direct					
HUD	Older Adult Homes Modification Program	14.921	VTHMR0003-21	12,697	-
HUD	Farrell Street Senior Housing LP- Supportive Housing for the Elderly (Section 202)	14.157		3,527,800	-
HUD	Essex Senior Housing LP - Supportive Housing for the Elderly (Section 202)	14.157		5,392,200	-
HUD	TSH Two LP - Supportive Housing for the Elderly (Section 202)	14.157		4,543,800	-
Pass Through					
Vermont Housing and Conservation Board	Home Investment Partnership Program	14.239	2024-034-003	158,149	-
Enterprise Community Partners		14.252	23SG2865	39,100	-
Total HUD				13,673,746	-
Total Expeditures of Federal Awards				$ 16,004,791	$ 909,243

CATHEDRAL SQUARE CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2025

NOTE 1 - GENERAL

The Schedule does not include the unconsolidated limited partnerships. These entities were subject to stand alone compliance and audit requirements as applicable. Financial assistance received directly from federal agencies as well as federal financial assistance passed through state agencies and other institutions are included on the Schedule.

NOTE 2 - BASIS OF ACCOUNTING

The Schedule of Federal Awards is presented using the accrual basis of accounting.

NOTE 3 - 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 4 - DE MINIMIS INDIRECT COST RATE

CSC has elected to use the de minimis indirect cost rate of up to 15% 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, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	qualified
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:

Assistance Listing Number	Name of Federal Program or Cluster
93.493	Substance Abuse and Mental Health Services Administration - Embedded Mental Health Support in SASH Housing
14.157	Supportive Housing for the Elderly (Section 202)

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,000,000
Auditee qualified as low-risk auditee?	☐ yes ☒ no

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

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, 2025, 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, and have issued our report thereon dated February 4, 2026.

Report on 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.

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

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

Report on 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*.

324 Gannett Drive | South Portland, Maine 04106-3263 | 207·780·1100 | 207·780·1999 (F) | WWW.OTISATWELL.COM

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.

Ouellette & Atwell
Certified Public Accountants

February 4, 2026
South Portland, Maine

OTIS | ATWELL
CERTIFIED | PUBLIC | ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR ITS 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

Opinion on the Major Federal Program

We have audited Cathedral Square Corporation's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cathedral Square Corporation's major federal programs for the year ended September 30, 2025. Cathedral Square Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cathedral Square Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of Cathedral Square Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cathedral Square Corporation's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cathedral Square Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cathedral Square Corporation's compliance with the requirements of the major federal program as a whole.

324 Gannett Drive | South Portland, Maine 04106-3263 | 207·780·1100 | 207·780·1999 (F) | www.otisatwell.com

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cathedral Square Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cathedral Square Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Cathedral Square Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Ouellette & Associates (signature)

Certified Public Accountants

February 4, 2026
South Portland, Maine