

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS  
September 30, 2023

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023

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## 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, 2023, 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, 2023, 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 Notes 13 and 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 23 through 35 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 January 17, 2024 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.

Certified Public Accountants

January 17, 2024  
South Portland, Maine  
Employer Identification No: 20-3690847  
Engagement Partner: Jesse Ferreira

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2023

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 6,234,472
Accounts Receivable	324,146
Accounts Receivable - Related Parties (Note 9)	680,643
Grants Receivable	240,808
Prepaid Expenses	<u>220,845</u>
Total Current Assets	<u>7,700,914</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES	
Restricted Escrow Accounts (Note 6)	1,489,962
Tenant Security Deposits	<u>130,902</u>
Total Restricted Deposits and Funded Reserves	<u>1,620,864</u>
OTHER ASSETS	
Notes Receivable (Note 2)	740,960
Allowance for Notes Receivable (Note 2)	(633,156)
Equity Investments (Note 13)	5,517,622
Development Projects (Note 14)	<u>284,540</u>
Total Other Assets	<u>5,909,966</u>
PROPERTY AND EQUIPMENT (Note 3)	
Land and Improvements	1,054,266
Buildings and Improvements	14,984,413
Furniture, Fixtures and Equipment	<u>532,798</u>
Total	16,571,477
Less Accumulated Depreciation	<u>(4,582,723)</u>
NET PROPERTY AND EQUIPMENT	<u>11,988,754</u>
ENDOWMENT (Note 10)	<u>978,247</u>
INVESTMENT (Note 11)	<u>471,738</u>
TOTAL ASSETS	<u>\$ 28,670,483</u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(Continued)

September 30, 2023

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	\$ 212,011
Accrued Interest Payable	16,796
Other Accrued Liabilities	895,227
Prepaid Revenue	9,318
Refundable Advance	18,938
Current Portion of Long-term Debt	<u>111,381</u>
Total Current Liabilities	<u>1,263,671</u>
DEPOSIT LIABILITIES	
Tenant Security Deposit and Interest	130,902
Resident Service Deposits	<u>30,993</u>
Total Deposit Liabilities	<u>161,895</u>
LONG-TERM DEBT	
Notes Payable, Net of Current Portion (Notes 3 and 16)	9,716,464
Less Deferred Loan Fees	(51,875)
Deferred Interest Payable (Note 4)	<u>3,405,393</u>
Total Long-term Debt	<u>13,069,982</u>
TOTAL LIABILITIES	<u>14,495,548</u>
NET ASSETS (Note 21)	
Net Assets Without Donor Restrictions	13,196,688
Net Assets With Donor Restrictions	<u>978,247</u>
TOTAL NET ASSETS	<u>14,174,935</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 28,670,483</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, 2023

REVENUES	
Rental Revenue	\$ 2,489,863
State and Federal Assistance	1,962,651
Donations	586,311
Management and Related Service Fees (Note 9)	4,475,042
Development Fees (Note 9)	220,000
Client Fees	700,471
Grant Income	5,335,143
Investment Income (Note 12)	148,128
Interest Income	88,892
Other Income	405,811
Gain on Sale (Note 23)	162,628
TOTAL REVENUES	<u>16,574,940</u>
EXPENSES	
Program Services	13,112,860
Management and General	2,362,793
Fundraising	54,371
TOTAL EXPENSES	<u>15,530,024</u>
INCREASE IN NET ASSETS	1,044,916
NET ASSETS, Beginning of Year	<u>13,130,019</u>
NET ASSETS, End of Year	<u>\$ 14,174,935</u>

CHANGES IN NET ASSETS BY RESTRICTION TYPE

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	\$ 12,093,796
Total Support and Revenue	16,524,138
Net Assets Released from Restriction	108,778
Total Operating Expenses	<u>(15,530,024)</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 13,196,688</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	
NET ASSETS, WITH DONOR RESTRICTIONS, BEGINNING OF YEAR	\$ 1,036,223
Total Support and Revenue	50,802
Net Assets Released from Restriction	<u>(108,778)</u>
NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR	<u>\$ 978,247</u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2023

	Program Services				Supportive Services		Total
	Property Management	Development	SASH	Assisted Living	Management and General	Fundraising	
Payroll Costs and Benefits	\$ 3,898,079	\$ 283,673	\$ 2,514,662	\$ 2,093,999	\$ 1,371,098	\$ 43,742	\$ 10,205,253
Agency Call Out	-	-	-	528,475	-	-	528,475
Utilities	319,925	-	-	-	-	-	319,925
Repairs and Property Maintenance	393,618	-	-	-	-	-	393,618
Equipment and Supplies	64,236	-	26,601	44,036	-	-	134,873
Administrative	64,062	-	-	8,992	184,934	-	257,988
Employee Acquisition and Training	-	-	37,641	537	31,879	-	70,057
Marketing	2,904	-	-	-	5,398	10,629	18,931
Travel	-	-	10,402	619	15,030	-	26,051
Professional Fees	37,945	-	7,176	4,560	35,814	-	85,495
Rent	-	-	-	-	36,000	-	36,000
Vehicle	-	-	-	-	686	-	686
Resident Services	17,220	-	-	2,729	-	-	19,949
Food Services	-	-	-	155,484	-	-	155,484
Grant Expenditures	-	-	1,373,666	-	304,077	-	1,677,743
Nursing Services	-	-	41,426	-	-	-	41,426
Bad Debts	38,284	-	-	-	-	-	38,284
Bad Debts - Notes Receivable	-	-	-	-	225,000	-	225,000
Contributions	-	-	-	-	5,577	-	5,577
Investment Expenses	-	-	-	-	8,879	-	8,879
Interest	218,830	-	-	-	-	-	218,830
Taxes and Insurance	366,425	-	-	-	-	-	366,425
Depreciation	466,178	-	-	-	948	-	467,126
Miscellaneous	-	43,028	33,173	14,161	137,473	-	227,835
Total Expenses	<u>\$ 5,887,706</u>	<u>\$ 326,701</u>	<u>\$ 4,044,747</u>	<u>\$ 2,853,592</u>	<u>\$ 2,362,793</u>	<u>\$ 54,371</u>	<u>\$ 15,529,910</u>

See accompanying notes to the financial statements.



CATHEDRAL SQUARE CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 1,044,916
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	467,126
Amortization of Debt Issuance Costs	7,896
Unrealized Gain on Endowment Investments	(60,711)
Unrealized Gain on Investments	(45,254)
Realized Loss on Endowment Investments	27,392
Realized Loss on Investments	11,901
Gain on Sale	(162,628)
Provision for Bad Debt Expense - Notes Receivable	225,000
Change in Operating Assets and Liabilities	
Accounts Receivable	333,090
Accounts Receivable - Related Parties	(111,483)
Grants Receivable	173,569
Development Projects	510,941
Prepaid Expenses	(135,721)
Accounts Payable	57,054
Accounts Payable - Development	(87,500)
Resident Service Deposits	16,857
Prepaid Revenue	(75,711)
Refundable Advance	18,938
Accrued Interest Payable	(2,440)
Accrued Expenses	(36,001)
Tenant Security Deposits	(884)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,176,347</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Advance of Notes Receivable	(225,000)
Equity Investments	(442,387)
Sales of Endowment Investments	204,426
Purchases of Endowment Investments	(218,647)
Sales of Investments	64,346
Purchases of Investments	(74,809)
Purchases of Property and Equipment	(187,225)
NET CASH USED BY INVESTING ACTIVITIES	<u>(879,296)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments of Long-term Debt	<u>(462,653)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(462,653)</u>
NET DECREASE IN CASH	834,398
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>7,020,938</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	<u>\$ 7,855,336</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid During the Year for:	
Interest	<u>\$ 213,374</u>
Non-Cash Investing and Financing Transactions:	
Property Obtained in Exchange for Equity Investments	<u>\$ 76,500</u>
Property Contributed with Equity Investments	<u>\$ 239,128</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 housing and support services to the elderly, disabled and persons with other special needs.

Basis of Consolidation - The consolidated financial statements include the accounts of CSC which consists of four programs: Management, Development, Support and Services at Home (SASH), and Assisted Living. Included in Management are several housing projects: Memory Care at Allen Brook, Heineberg Senior Housing, Whitcomb Terrace, Ruggles House 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.

Housing Projects

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.

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

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

Development - CSC develops and assists in redevelopment of various properties.

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.

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.

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 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.

Receivables - Grants Receivable are recorded based on a cost reimbursement basis. 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 services 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.

Revenue Recognition - Revenue from developer fees, management and related service fees, maintenance fees and other contractual services 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.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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

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.

CSC recognizes net rental revenue in the period in which the rent is earned. Residential leases are for periods of up to one year and commercial leases are for periods of up to three years, 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, concessions, and other charges and is recorded when earned.

Tenant Receivables and Bad Debt - Tenant 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. CSC does not accrue interest on the tenant receivable balances.

Tenant 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.

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.

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

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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

Development Fee Income - 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. The development services provided in the construction or rehabilitation of a housing project are highly interrelated and are considered a single performance obligation.

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

The aggregate balance of development fee transaction prices allocated to partially completed performance obligations at September 30, 2023 was \$220,000. 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.

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.

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, 2023.

CATHEDRAL SQUARE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

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

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.

Subsequent Events - Subsequent events have been evaluated through January 17, 2024, the date the financial statements were available to be issued.

NOTE 2 - NOTE RECEIVABLE - MANAGEMENT

The Notes Receivable at September 30, 2023 were:

Project	Maturity	Interest Rate	Monthly Payment	2023
TSH Limited Partnership	2041	0.000%	\$ -	\$ 107,804
Essex Senior Housing	2041	0.000%	\$ -	138,656
Kelley's Field II, LP	2041	0.000%	\$ -	225,000
Richmond Terrace, LP	2041	0.000%	\$ -	269,500
Total				\$ 740,960

An allowance has been recorded for the notes receivable that are not expected to be collected upon maturity. The allowances at September 30, 2023 were:

Project	2023
Essex Senior Housing	\$ 138,656
Kelley's Field II LP	225,000
Richmond Terrace, LP	269,500
Total	\$ 633,156

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 3 - LONG-TERM DEBT

Long-term debt at September 30, 2023 consists of the following:

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2023</u>
<u>National Housing Trust Community Development Fund</u>	Heineberg Sr. Housing	3.0%	\$715/Mo	December 31, 2025	\$ 18,634
<u>Vermont Housing and Conservation Board (VHCB)</u>	Ruggles House	0%	Deferred	October 31, 2031	195,000
	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
<u>Village of Essex Junction</u>	Whitcomb Terrace	0%	Deferred	December 17, 2034	260,000
<u>Whitcomb Woods Housing, LP</u>	Whitcomb Terrace	0%	Deferred	August 23, 2036	96,145
<u>City of Burlington</u>	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
<u>Champlain Housing Trust</u>	Ruggles House	0%	Deferred	December 31, 2031	250,000
	CSC McAuley LLC	0%	Deferred	August 28, 2047	148,000

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>2023</u>
<u>Vermont Housing Finance Agency (VHFA)</u>	Heineberg Sr. Housing	3.36%	\$7,943/ Mo	April 1, 2036	1,712,435
	CSC McAuley LLC	5.054 %	\$17,284/ Mo	March 1, 2047	2,849,361
	CSC McAuley LLC	0%	Deferred	March 1, 2047	510,320
	Memory Care at Allen Brook	0%	Deferred	December 11, 2047	262,000
Total					9,827,845
Less Current Portion					111,381
					\$9,716,464

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:

<u>Year Ending September 30</u>	<u>Total Amount</u>
2024	\$ 111,381
2025	116,294
2026	114,937
2027	117,917
2028	123,269
Thereafter	9,244,047
Total	\$ 9,827,845

NOTE 4 - DEFERRED INTEREST PAYABLE

Various entities or projects have deferred interest payable arrangements at September 30, 2023 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



CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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, 2023, employer contributions to the retirement plans totaled \$275,441.

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, 2023, CSC had cash on deposit with banks and financial institutions totaling \$7,962,914, of which \$250,000 was insured by the FDIC. The maximum amount of loss due to credit risk at September 30, 2023 was \$7,712,914, 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. 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.

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 2023, fees charged to these entities for management, administrative, maintenance, and resident services totaled \$4,475,042. At September 30, 2023, CSC was owed \$526,667 from these entities.

Development fees received for the development of property at Kelley's Field II, LP totaled \$220,000 in the year ended September 30, 2023.

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 2023 totaled \$48,377.

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 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 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, 2023 was \$978,247. 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	\$ 930,707
Interest and Dividends	17,383
Net Appreciation	84,048
Less: Investment Fees	(5,999)
Distributions	<u>(47,892)</u>
Total Endowment Net Assets	978,247
Net Assets Without Donor Restrictions	<u>-</u>
Net Assets With Donor Restrictions	<u><u>\$ 978,247</u></u>

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, 2023 was \$471,738.

Beginning Balance	\$ 427,922
Interest and Dividends	10,929
Net Appreciation	35,767
Less: Investment Fees	<u>(2,880)</u>
Total Investments	<u><u>\$ 471,738</u></u>

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.

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 12 - INVESTMENTS (Continued)

The fair value of CSC's investments was calculated using the following input data as of September 30, 2023:

Level 1 Inputs:	
Cash	\$ 35,082
Equity Exchange Traded Securities	330,656
Exchange Traded Fixed Income Securities	188,072
Bonds	237,698
Common Stock	<u>658,477</u>
Total	<u><u>\$1,449,985</u></u>

Return on Investment consisted of the following:

Interest and Dividends	\$ 28,312
Loss on the Sale of Investments	(39,293)
Unrealized Gain on Investments	<u>105,965</u>
Total Return on Investment	<u><u>\$ 94,984</u></u>

NOTE 13 - EQUITY INVESTMENTS

CSC or CSC Partners, Inc. are the co-general partners in several limited partnerships. Equity investments to these entities at September 30, 2023 was \$5,517,622. Equity investments are accounted for under the equity method.

NOTE 14 - DEVELOPMENT PROJECTS

As of September 30, 2023, Cathedral Square Corporation is owed \$284,540 in development costs associated with the development or redevelopment of various properties. These costs are expected to be reimbursed by the entities.

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, 2023, the total accrued liability for self-insurance costs was \$6,300.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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

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 prior to related party eliminations would have increased by \$103,765,630, \$56,922,839 and \$46,842,790, respectively, and revenue and expenses would have increased by \$9,677,569 and \$12,500,184, respectively, at September 30, 2023.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 18 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

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	\$ 7,724,434
Grants Receivable	240,808
Accounts Receivable	1,004,789
Development Projects	284,540
Board-Designated Investments	471,738
Endowment Fund	<u>978,247</u>
Total Financial Assets	10,704,556
Less Donor and Contractually Restricted Balances:	
Restricted Escrow Accounts	(1,489,962)
Endowment Fund - Donor Restricted	(978,247)
Board-Designated Investments	<u>(471,738)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 7,764,609</u></u>

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	\$ 6,234,472
Restricted Escrow Accounts	1,489,962
Tenant Security Deposits	<u>130,902</u>
Total Cash, Cash Equivalents and Restricted Cash Accounts	<u><u>\$ 7,855,336</u></u>

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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, 2023:

Board Designated Investment Fund	\$ 471,738
Undesignated	12,724,950
	<u>\$13,196,688</u>

Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of the following at September 30, 2023 are as follows:

Endowment	<u>\$ 978,247</u>
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NOTE 22 - ADOPTION OF ACCOUNTING PRONOUNCEMENT

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

CSC adopted ASU 2016-02 effective October 1, 2022, retroactively. CSC has elected the short-term lease recognition exemption for all applicable classes of underlying assets. CSC has elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed CSC to carry forward the historical lease classification. The adoption of the Update did not result in an adjustment to the opening net assets or any other account balance and no account has been affected in the current period by the application of the guidance.

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 22 - ADOPTION OF ACCOUNTING PRONOUNCEMENT (Continued)

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

CSC adopted ASU 2020-07 effective October 1, 2022, retrospectively. The adoption of this update did not result in an adjustment to the opening net assets or any other financial statement line item.

NOTE 23 - GAIN ON SALE

During the year ended September 30, 2023, CSC received a contribution of land located in Hinesburg, Vermont from Kelley's Field, LP, a related party. The value of the land was determined on the basis of recent comparable sales prices (level 2 inputs in the fair value hierarchy) to equal \$76,500. The land donation reduced CSC's equity in Kelley's Field, LP by \$76,500. CSC subsequently contributed the land to Kelley's Field II, LP, a related party, and the increase in fair market value of the land has been reflected as a gain of \$162,628 on the consolidated statement of activities. The land has no donor-imposed restrictions and is expected to be developed for affordable housing units.

NOTE 24 - LEASES

CSC leases residential units to tenants for terms of up to twelve months. Leases provide tenants with the right to use our real estate assets for a limited period of time, they may contain the option to renew for another 12 months but no option to purchase the property. CSC assesses lease classification for each new and modified lease. CSC has elected the short-term lease recognition exemption for all applicable classes of underlying assets. As of September 30, 2023, all residential rental leases have been classified as short-term operating leases and no asset or liability has been recorded. All rental revenue reported on the financial statements is derived from short-term operating leases.



## SUPPLEMENTARY INFORMATION

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2023

ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitcomb Terrace	CSC McAuley LLC	Eliminations	Total
<b>CURRENT ASSETS</b>										
Cash and Cash Equivalents	\$ 4,803,534	\$ 95,486	\$ 1,034,327	\$ 110,265	\$ 1,921	\$ 40,785	\$ 120,162	\$ 27,992	\$ -	\$ 6,234,472
Accounts Receivable	3,402	97,775	33,812	111,450	12,883	28,167	812	35,845	-	324,146
Accounts Receivable - Related Parties	1,084,263	149,063	-	-	-	-	-	-	(552,683)	680,643
Grants Receivable	173,098	-	67,710	-	-	-	-	-	-	240,808
Prepaid Expenses	180,571	-	9,380	-	-	12,882	5,201	12,811	-	220,845
<b>Total Current Assets</b>	<b>6,244,868</b>	<b>342,324</b>	<b>1,145,229</b>	<b>221,715</b>	<b>14,804</b>	<b>81,834</b>	<b>126,175</b>	<b>76,648</b>	<b>(552,683)</b>	<b>7,700,914</b>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>										
Restricted Escrow Accounts	96,906	-	-	90,725	91,567	474,010	341,942	394,812	-	1,489,962
Tenant Security Deposits	-	-	-	6,155	9,478	61,601	8,175	45,493	-	130,902
<b>Total Restricted Deposits and Funded Reserves</b>	<b>96,906</b>	<b>-</b>	<b>-</b>	<b>96,880</b>	<b>101,045</b>	<b>535,611</b>	<b>350,117</b>	<b>440,305</b>	<b>-</b>	<b>1,620,864</b>
<b>OTHER ASSETS</b>										
Notes Receivable	874,114	-	-	-	-	-	-	-	(133,154)	740,960
Allowance for Notes Receivable	(653,156)	-	-	-	-	-	-	-	20,000	(633,156)
Equity Investments	5,517,622	-	-	-	-	-	-	-	-	5,517,622
Development Projects	284,540	-	-	-	-	-	-	-	-	284,540
<b>Total Other Assets</b>	<b>6,023,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(113,154)</b>	<b>5,909,966</b>
<b>PROPERTY AND EQUIPMENT</b>										
Land and Improvements	-	-	-	299,488	-	97,858	70,946	585,974	-	1,054,266
Building and Improvements	-	-	-	1,381,045	1,242,298	5,320,544	1,493,982	5,546,544	-	14,984,413
Furniture, Fixtures and Equipment	241,259	-	-	77,934	20,270	141,872	19,197	32,266	-	532,798
<b>Total</b>	<b>241,259</b>	<b>-</b>	<b>-</b>	<b>1,758,467</b>	<b>1,262,568</b>	<b>5,560,274</b>	<b>1,584,125</b>	<b>6,164,784</b>	<b>-</b>	<b>16,571,477</b>
Less Accumulated Depreciation	(240,481)	-	-	(280,105)	(239,239)	(2,780,828)	(80,388)	(961,682)	-	(4,582,723)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>778</b>	<b>-</b>	<b>-</b>	<b>1,478,362</b>	<b>1,023,329</b>	<b>2,779,446</b>	<b>1,503,737</b>	<b>5,203,102</b>	<b>-</b>	<b>11,988,754</b>
<b>ENDOWMENT</b>	<b>978,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>978,247</b>
<b>INVESTMENT ACCOUNT</b>	<b>471,738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>471,738</b>
<b>TOTAL ASSETS</b>	<b>\$ 13,815,657</b>	<b>\$ 342,324</b>	<b>\$ 1,145,229</b>	<b>\$ 1,796,957</b>	<b>\$ 1,139,178</b>	<b>\$ 3,396,891</b>	<b>\$ 1,980,029</b>	<b>\$ 5,720,055</b>	<b>\$ (665,837)</b>	<b>\$ 28,670,483</b>

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
(Continued)

September 30, 2023

LIABILITIES AND NET ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitcomb Terrace	CSC McAuley, LLC	Eliminations	Total
<b>CURRENT LIABILITIES</b>										
Accounts Payable	\$ 85,019	\$ 4,611	\$ 65,079	\$ 23,309	\$ 26,757	\$ 21,967	\$ 1,849	\$ 12,062	\$ (28,642)	\$ 212,011
Accrued Interest Payable	-	-	-	-	-	4,795	-	12,001	-	16,796
Other Accrued Liabilities	485,631	39,903	312,607	41,188	1,404	8,383	2,499	3,612	-	895,227
Due to Intercompany	-	286,103	9,751	187,688	-	-	-	40,499	(524,041)	-
Prepaid Revenue	-	2,920	-	-	574	3,432	360	2,032	-	9,318
Refundable Advance	-	-	18,938	-	-	-	-	-	-	18,938
Current Portion of Long-term Debt	-	-	-	-	2,969	46,490	-	64,891	(2,969)	111,381
<b>Total Current Liabilities</b>	<b>570,650</b>	<b>333,537</b>	<b>406,375</b>	<b>252,185</b>	<b>31,704</b>	<b>85,067</b>	<b>4,708</b>	<b>135,097</b>	<b>(555,652)</b>	<b>1,263,671</b>
<b>DEPOSIT LIABILITIES</b>										
Tenant Security Deposit and Interest	-	-	-	6,155	9,478	61,601	8,175	45,493	-	130,902
Resident Service Deposits	9,071	12,995	-	-	-	-	-	8,927	-	30,993
<b>Total Deposit Liabilities</b>	<b>9,071</b>	<b>12,995</b>	<b>-</b>	<b>6,155</b>	<b>9,478</b>	<b>61,601</b>	<b>8,175</b>	<b>54,420</b>	<b>-</b>	<b>161,895</b>
<b>LONG-TERM DEBT</b>										
Notes Payable	-	-	-	262,000	815,481	2,459,579	1,281,145	4,895,290	2,969	9,716,464
Less Deferred Loan Fees	-	-	-	-	-	(28,424)	-	(23,451)	-	(51,875)
Other Note Payable	-	-	-	-	133,154	-	-	-	(133,154)	-
Deferred Interest Payable	-	-	-	-	117,613	1,375,967	725,171	1,186,642	-	3,405,393
<b>Total Long-term Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>262,000</b>	<b>1,066,248</b>	<b>3,807,122</b>	<b>2,006,316</b>	<b>6,058,481</b>	<b>(130,185)</b>	<b>13,069,982</b>
<b>Total Liabilities</b>	<b>579,721</b>	<b>346,532</b>	<b>406,375</b>	<b>520,340</b>	<b>1,107,430</b>	<b>3,953,790</b>	<b>2,019,199</b>	<b>6,247,998</b>	<b>(685,837)</b>	<b>14,495,548</b>
<b>NET ASSETS</b>										
Net Assets Without Donor Restrictions	12,257,689	(4,208)	738,854	1,276,617	31,748	(556,899)	(39,170)	(527,943)	20,000	13,196,688
Net Assets With Donor Restrictions	978,247	-	-	-	-	-	-	-	-	978,247
<b>TOTAL NET ASSETS</b>	<b>13,235,936</b>	<b>(4,208)</b>	<b>738,854</b>	<b>1,276,617</b>	<b>31,748</b>	<b>(556,899)</b>	<b>(39,170)</b>	<b>(527,943)</b>	<b>20,000</b>	<b>14,174,935</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 13,815,657</b>	<b>\$ 342,324</b>	<b>\$ 1,145,229</b>	<b>\$ 1,796,957</b>	<b>\$ 1,139,178</b>	<b>\$ 3,396,891</b>	<b>\$ 1,980,029</b>	<b>\$ 5,720,055</b>	<b>\$ (665,837)</b>	<b>\$ 28,670,483</b>

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
For the Year Ended September 30, 2023

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitcomb Terrace	CSC McAuley, LLC	Eliminations	Total
<b>REVENUES</b>										
Rental Revenue	\$ -	\$ -	\$ -	\$ 107,465	\$ 186,425	\$ 997,927	\$ 229,565	\$ 968,481	\$ -	\$ 2,489,863
State and Federal Assistance	-	891,895	-	1,070,756	-	-	-	-	-	1,962,651
Donations	60,634	-	6,599	519,078	-	-	-	-	-	586,311
Management and Related Service Fees	5,667,391	-	-	-	-	-	-	-	(1,192,349)	4,475,042
Development Fees	220,000	-	-	-	-	-	-	-	-	220,000
Client Fees	-	580,264	-	120,207	-	-	-	-	-	700,471
Grant Income	1,254,512	34,582	3,881,220	176,879	-	-	-	7,950	(20,000)	5,335,143
Investment Income	148,128	-	-	-	-	-	-	-	-	148,128
Interest Income	74,424	-	-	1,950	1,154	10,357	1,962	199	(1,154)	88,892
Other Income	48,392	-	303,657	3,739	31,180	8,558	2,586	55,590	(47,891)	405,811
Gain on Sale	162,628	-	-	-	-	-	-	-	-	162,628
<b>TOTAL SUPPORT AND REVENUE</b>	<b>7,636,109</b>	<b>1,506,741</b>	<b>4,191,476</b>	<b>2,000,074</b>	<b>218,759</b>	<b>1,016,842</b>	<b>234,113</b>	<b>1,032,220</b>	<b>(1,261,394)</b>	<b>16,574,940</b>
<b>EXPENSES</b>										
Program Services	4,224,780	1,568,538	4,064,747	1,547,597	221,674	982,000	236,911	1,128,704	(862,091)	13,112,860
Management and General	2,410,684	-	-	145,268	23,364	81,694	23,119	77,967	(399,303)	2,362,793
Fundraising	54,371	-	-	-	-	-	-	-	-	54,371
<b>TOTAL OPERATING EXPENSES</b>	<b>6,689,835</b>	<b>1,568,538</b>	<b>4,064,747</b>	<b>1,692,865</b>	<b>245,038</b>	<b>1,063,694</b>	<b>260,030</b>	<b>1,206,671</b>	<b>(1,261,394)</b>	<b>15,530,024</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>946,274</b>	<b>(61,797)</b>	<b>126,729</b>	<b>307,209</b>	<b>(26,279)</b>	<b>(46,852)</b>	<b>(25,917)</b>	<b>(174,451)</b>	<b>-</b>	<b>1,044,916</b>
<b>TOTAL NET ASSETS, Beginning of Year</b>	<b>12,289,662</b>	<b>57,589</b>	<b>612,125</b>	<b>969,408</b>	<b>58,027</b>	<b>(510,047)</b>	<b>(13,253)</b>	<b>(353,492)</b>	<b>20,000</b>	<b>13,130,019</b>
<b>TOTAL NET ASSETS, End of Year</b>	<b>\$ 13,235,936</b>	<b>\$ (4,208)</b>	<b>\$ 738,854</b>	<b>\$ 1,276,617</b>	<b>\$ 31,748</b>	<b>\$ (556,899)</b>	<b>\$ (39,170)</b>	<b>\$ (527,943)</b>	<b>\$ 20,000</b>	<b>\$ 14,174,935</b>
<b>CHANGES TO NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>										
<b>BEGINNING OF THE YEAR</b>	<b>\$ 11,253,439</b>	<b>\$ 57,589</b>	<b>\$ 612,125</b>	<b>\$ 969,408</b>	<b>\$ 58,027</b>	<b>\$ (510,047)</b>	<b>\$ (13,253)</b>	<b>\$ (353,492)</b>	<b>\$ 20,000</b>	<b>\$ 12,093,796</b>
Total Support and Revenue	7,585,307	1,506,741	4,191,476	2,000,074	218,759	1,016,842	234,113	1,032,220	(1,261,394)	16,524,138
Net Assets Released from Restriction	108,778	-	-	-	-	-	-	-	-	108,778
Total Operating Expenses	(6,689,835)	(1,568,538)	(4,064,747)	(1,692,865)	(245,038)	(1,063,694)	(260,030)	(1,206,671)	1,261,394	(15,530,024)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR</b>	<b>\$ 12,257,689</b>	<b>\$ (4,208)</b>	<b>\$ 738,854</b>	<b>\$ 1,276,617</b>	<b>\$ 31,748</b>	<b>\$ (556,899)</b>	<b>\$ (39,170)</b>	<b>\$ (527,943)</b>	<b>\$ 20,000</b>	<b>\$ 13,196,688</b>
<b>CHANGES TO NET ASSETS WITH DONOR RESTRICTIONS:</b>										
<b>BEGINNING OF THE YEAR</b>	<b>\$ 1,036,223</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,036,223</b>
Total Support and Revenue	50,802	-	-	-	-	-	-	-	-	50,802
Net Assets Released from Restriction	(108,778)	-	-	-	-	-	-	-	-	(108,778)
<b>NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR</b>	<b>\$ 978,247</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 978,247</b>

CATHEDRAL SQUARE CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2023

MANAGEMENT

REVENUES

Management and Related Service Fees	\$ 5,667,391
Development Fees	220,000
Grant Income	1,254,512
Donations	60,634
Loss on the Sale of Investments	(39,293)
Unrealized Gain on Investments	159,109
Income from Investments	28,312
Interest Income	74,424
Other Income	48,392
Gain on Sale	162,628
	<hr/>
Total Revenues	7,636,109

EXPENSES

Administrative	
Salaries	973,329
Payroll Taxes	72,174
Pension	40,898
Life/Disability	14,894
Insurance	292,876
Workers Compensation	16,279
	<hr/>
Total Administrative Expenses	1,410,450
Housing Operations	
Salaries	1,692,396
Payroll Taxes	125,305
Pension	58,563
Life/Disability	18,543
Insurance	403,331
Workers Compensation	44,192
	<hr/>
Total Housing Operations Expenses	2,342,330
Housing Services	
Salaries	1,128,523
Payroll Taxes	81,002
Pension	43,573
Life/Disability	12,787
Insurance	268,649
Workers Compensation	21,215
	<hr/>
Total Housing Services Expenses	1,555,749

## CATHEDRAL SQUARE CORPORATION

## SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES  
(Continued)

For the Year Ended September 30, 2023

MANAGEMENT

Development	
Salaries	215,921
Miscellaneous	43,028
Payroll Taxes	15,891
Pension	9,692
Life/Disability	3,250
Insurance	35,005
Workers Compensation	3,914
Total Development Expenses	<u>326,701</u>
Grants	
EV Grant Expenses	211,462
Other Grant Expenses	92,615
Total Grant Expenses	<u>304,077</u>
Unallocated Expenses	
Vehicle	686
Dues and Subscriptions	6,634
Telephone	23,572
Office Expense	19,316
Education	31,879
Rent	36,000
Audit	28,329
Legal	5,485
Computer	121,936
Consulting	2,000
Depreciation	948
Postage	12,817
Printing	659
Employee Appreciation	4,390
Travel	15,030
Marketing	16,027
Contributions	5,577
Investment Expenses	56,770
Bad Debt - Notes Receivable	225,000
Other	137,473
Total Unallocated Expenses	<u>750,528</u>
Total Operating Expenses	<u>6,689,835</u>
INCREASE IN NET ASSETS	<u>\$ 946,274</u>

CATHEDRAL SQUARE CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2023

ASSISTED LIVING OPERATIONS

	<u>Personal Care</u>	<u>Kitchen</u>	<u>Total</u>
REVENUES			
Medicaid	\$ 891,895	\$ -	\$ 891,895
Client Fees	357,828	222,436	580,264
Grant Income	34,582	-	34,582
	<u>1,284,305</u>	<u>222,436</u>	<u>1,506,741</u>
Total Revenues			
EXPENSES			
Compensation	918,450	121,695	1,040,145
Agency Call Out	69,586	-	69,586
Payroll Taxes	68,882	9,454	78,336
Health Insurance	131,994	8,546	140,540
Life/Disability	7,097	1,073	8,170
Workers Compensation	31,756	2,965	34,721
Pension	32,779	3,173	35,952
Education	537	-	537
Supplies	14,444	18,825	33,269
Food	-	112,041	112,041
Travel	543	76	619
Other	4,655	9,967	14,622
	<u>1,280,723</u>	<u>287,815</u>	<u>1,568,538</u>
Total Operating Expenses			
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 3,582</u>	<u>\$ (65,379)</u>	<u>\$ (61,797)</u>

CATHEDRAL SQUARE CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2023

SASH

REVENUES	
Grant Income	\$ 3,881,220
Donations	6,599
Other Income	303,657
	<hr/>
Total Revenues	4,191,476
	<hr/>
EXPENSES	
Salaries	1,904,500
Payroll Taxes	138,043
Health Insurance	345,545
Life/Disability	19,994
Workers Compensation	36,145
Pension	70,435
Recruitment	9,554
Education	28,087
Supplies	4,282
Legal	718
Travel	10,402
Consulting	6,458
Information Technology	22,319
Nursing	41,426
Functional Team	14,500
Grant Expenditures	1,379,166
Other	33,173
	<hr/>
Total Operating Expenses	4,064,747
	<hr/>
INCREASE IN NET ASSETS	\$ 126,729
	<hr/> <hr/>



CATHEDRAL SQUARE CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2023

MEMORY CARE AT ALLEN BROOK

REVENUES

Tenant Rental Income	\$ 65,919
Rental Assistance	41,546
Medicaid	1,070,756
Client Fees - Personal care	33,000
Client Fees - Kitchen	87,207
Donations	519,078
Grant Income	176,879
Interest Income	1,950
Bad Debt Recovery	114
Other Income	3,625
	<hr/>
Total Revenues	2,000,074

EXPENSES

Administrative	
Management Fees	11,256
Administrative Salaries	79,236
Legal and Accounting	9,852
Other Administrative	9,994
	<hr/>
Total Administrative	110,338
Services	
Salaries	550,589
Agency Call Out	458,889
Payroll Taxes	41,224
Pension	16,328
Life/Disability	5,037
Insurance	123,899
Workers Compensation	19,058
Resident Services	66,173
Food	42,982
Supplies	10,767
	<hr/>
Total Resident Services	1,334,946
Utilities	
Electricity	13,018
Fuel	8,089
Water and Sewer	5,101
Other Utilities	5,695
	<hr/>
Total Utilities	31,903

## CATHEDRAL SQUARE CORPORATION

## SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES  
(Continued)

For the Year Ended September 30, 2023

MEMORY CARE AT ALLEN BROOK

Maintenance and Repairs	
Maintenance Salaries	36,024
Cleaning and Supplies	9,235
Maintenance Contracts	20,559
Trash Removal	2,158
Snow Removal	5,250
Miscellaneous Maintenance	672
	<hr/>
Total Maintenance and Repairs	73,898
	<hr/>
General Expenses	
Payroll Taxes	14,076
Property and Liability Insurance	3,107
Health Insurance	60,084
Workers Compensation	5,520
Interest Expense	7,622
Depreciation	51,371
	<hr/>
Total General Expenses	141,780
	<hr/>
Total Operating Expenses	1,692,865
	<hr/>
INCREASE IN NET ASSETS	\$ 307,209
	<hr/> <hr/>

CATHEDRAL SQUARE CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES AND EXPENSES  
For the Year Ended September 30, 2023

RUGGLES HOUSE

REVENUES	
Tenant Rental Income	\$ 95,295
Rental Assistance	91,130
Interest Income	1,154
Other Income	<u>31,180</u>
Total Revenues	<u>218,759</u>
EXPENSES	
Administrative	
Management Fees	8,760
Administrative Salaries	13,356
Legal and Accounting	3,415
Other Administrative	<u>11,265</u>
Total Administrative	<u>36,796</u>
Resident Services	<u>21,977</u>
Utilities	
Electricity	11,045
Fuel	8,929
Water and Sewer	7,596
Other Utilities	<u>4,290</u>
Total Utilities	<u>31,860</u>
Maintenance and Repairs	
Maintenance Salaries	16,752
Cleaning and Supplies	1,214
Maintenance Contracts	40,007
Trash Removal	3,025
Snow Removal	8,793
Miscellaneous Maintenance	<u>844</u>
Total Maintenance and Repairs	<u>70,635</u>

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

For the Year Ended September 30, 2023

RUGGLES HOUSE

General Expenses	
Property and Liability Insurance	5,536
Real Estate Taxes	7,172
Payroll Taxes	3,984
Health Insurance	17,004
Workers Compensation	1,572
Interest Expense	4,042
Depreciation	<u>44,460</u>
Total General Expenses	<u>83,770</u>
Total Expenses	<u>245,038</u>
DECREASE IN NET ASSETS	<u>\$ (26,279)</u>

CATHEDRAL SQUARE CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2023

WHITCOMB TERRACE

REVENUES	
Tenant Rental Income	\$ 108,735
Rental Assistance	120,830
Interest Income	1,962
Other Income	2,586
	<hr/>
Total Revenues	234,113
	<hr/>
EXPENSES	
Administrative	
Management Fees	15,312
Administrative Salaries	14,580
Legal and Accounting	8,032
Other Administrative	4,901
	<hr/>
Total Administrative	42,825
	<hr/>
Resident Services	15,720
	<hr/>
Utilities	
Electricity	16,863
Fuel	6,314
Water and Sewer	7,442
Other Utilities	278
	<hr/>
Total Utilities	30,897
	<hr/>
Maintenance and Repairs	
Maintenance Salaries	29,964
Cleaning and Supplies	7,992
Maintenance Contracts	24,685
Trash Removal	3,031
Snow Removal	4,835
Miscellaneous Maintenance	4,670
	<hr/>
Total Maintenance and Repairs	75,177
	<hr/>

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

For the Year Ended September 30, 2023

WHITCOMB TERRACE

General Expenses	
Property and Liability Insurance	9,987
Real Estate Taxes	19,143
Payroll Taxes	4,608
Health Insurance	19,668
Workers Compensation	1,812
Depreciation	<u>40,193</u>
Total General Expenses	<u>95,411</u>
Total Expenses	<u>260,030</u>
DECREASE IN NET ASSETS	<u>\$ (25,917)</u>

CATHEDRAL SQUARE CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2023

Federal Grantor/Pass through Grantor/Program Title	Assistance Listing 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 (ID No. 03420-08854, 03420-09264)	93.426	\$ 114,332
Medicaid Cluster		
Passed through State of Vermont, Department of Disabilities Aging and Independent Living: Medical Assistance Program (ID No. 03460-1-2490, 03460-7-2539)	93.778	551,003
Passed through State of Vermont, Department of Vermont Health Access: Medical Assistance Program (ID No. 03410-2315-22, 03420-09929)	93.778	39,822
Total Medicaid Cluster		590,825
Social Services Research and Demonstration (ID No. 90XP0465-01-00)	93.647	303,000
Passed through State of Vermont, Department of Vermont Health Access: AHS/VDH/Division of Substance Use Programs Vermont Overdose Data to Action (ID No. 03420-09728)	93.136	25,000
Total U.S. Department of Health and Human Services		1,033,157
<u>U.S. Department of Housing and Urban Development</u>		
Older Adult Homes Modification Program (ID No. VTHMR0003-21)	14.921	232,685
Passed through Vermont Housing and Conservation Board - Home Investment Partnership Program (ID No. 2023-002-003)	14.239	58,445
Passed through City of Burlington, Vermont - Community Development Block Grant HVAC Improvement (ID No. B-22-MC-50-0001)	14.218	209,664
Total U.S. Department of Housing and Urban Development		500,794
<u>U.S. Department of the Treasury</u>		
Passed through Vermont Agency of Human Services: Coronavirus State and Local Recovery Funds (ID No. 03460-1-2476)	21.027	61,451
Total U.S. Department of the Treasury		61,451
Total Expenditures of Federal Awards		\$ 1,595,402

CATHEDRAL SQUARE CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2023

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Federal Awards is presented using the accrual basis of accounting. The schedule does not include the unconsolidated 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

CSC 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, 2023

**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:

<u>Assistance Listing 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

**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, 2023, 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 January 17, 2024.

**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*.

## 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.

A handwritten signature in black ink, appearing to read "Chris Atwell". The signature is written in a cursive, flowing style.

Certified Public Accountants

January 17, 2024  
South Portland, Maine



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 Cathedral Square Corporation's major federal program for the year ended September 30, 2023. 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.

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, 2023.

***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 program. 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.

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.



Certified Public Accountants

January 17, 2024  
South Portland, Maine