

Cambridge Economic Opportunity Committee, Inc.

Financial Statements,
Supplementary Information and
Other Reporting in Accordance with
Government Auditing Standards and Uniform Guidance

September 30, 2024 and 2023

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Supplementary Information	17
Other Reporting Required by <i>Government Auditing Standards</i> and Uniform Guidance	19

Independent Auditors' Report

To the Board of Directors
Cambridge Economic Opportunity Committee, Inc.

Opinion

We have audited the accompanying financial statements of Cambridge Economic Opportunity Committee, Inc. (the Organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP
Tewksbury, Massachusetts
February 13, 2025

September 30	2024	2023
Assets		
Current Assets:		
Cash	\$ 785,160	\$ 399,853
Current Portion of Contracts and Grants Receivable	315,410	364,616
Prepaid Expenses	4,608	4,406
Total Current Assets	1,105,178	768,875
Investments	1,014,288	828,119
Contracts and Grants Receivable, Net of Current Portion	100,000	-
Property and Equipment, Net of Accumulated Depreciation	110,443	103,388
Total Assets	\$ 2,329,909	\$ 1,700,382
Liabilities and Net Assets		
Current Liabilities:		
Line of Credit	\$ -	\$ -
Accounts Payable	39,631	64,118
Accrued Expenses	203,108	169,551
Refundable Advances	98,886	46,616
Total Current Liabilities	341,625	280,285
Net Assets:		
Net Assets without Donor Restrictions	1,688,284	1,420,097
Net Assets with Donor Restrictions	300,000	-
Total Net Assets	1,988,284	1,420,097
Total Liabilities and Net Assets	\$ 2,329,909	\$ 1,700,382

Statements of Activities

Cambridge Economic Opportunity Committee, Inc.

For the Years Ended September 30

2024

2023

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions and Grants	\$ 2,261,599	\$ 300,000	\$ 2,561,599	\$ 2,038,156	\$ 45,000	\$ 2,083,156
Contributions - Nonfinancial Assets	151,860	-	151,860	128,225	-	128,225
Rental Income	1,250	-	1,250	6,875	-	6,875
Net Assets Released from Restriction	-	-	-	142,962	(142,962)	-
Total Revenue and Other Support	2,414,709	300,000	2,714,709	2,316,218	(97,962)	2,218,256
Operating Expenses:						
Program Services	2,054,587	-	2,054,587	2,107,611	-	2,107,611
Supporting Services:						
General and Administrative	223,252	-	223,252	206,697	-	206,697
Fundraising	63,062	-	63,062	76,338	-	76,338
Ballot Initiatives	-	-	-	9,813	-	9,813
Total Supporting Services	286,314	-	286,314	292,848	-	292,848
Total Operating Expenses	2,340,901	-	2,340,901	2,400,459	-	2,400,459
Increase (Decrease) in Net Assets from Operations	73,808	300,000	373,808	(84,241)	(97,962)	(182,203)
Nonoperating Activities:						
Investment Income, Net	194,379	-	194,379	88,279	-	88,279
Total Nonoperating Activities	194,379	-	194,379	88,279	-	88,279
Increase (Decrease) in Net Assets	268,187	300,000	568,187	4,038	(97,962)	(93,924)
Net Assets, Beginning of Year	1,420,097	-	1,420,097	1,416,059	97,962	1,514,021
Net Assets, End of Year	\$ 1,688,284	\$ 300,000	\$ 1,988,284	\$ 1,420,097	\$ -	\$ 1,420,097

The accompanying notes are an integral part of these financial statements.

For the Year Ended September 30

2024

	Supporting Services				Total Supporting Services	Total
	Program Services	General and Administrative	Fundraising	Ballot Initiative		
Personnel Expenses	\$ 1,285,928	\$ 98,299	\$ 18,577	\$ -	\$ 116,876	\$ 1,402,804
Food	446,416	-	-	-	-	446,416
Professional Services	113,468	71,183	-	-	71,183	184,651
Supplies	128,797	-	-	-	-	128,797
Fundraising	-	-	44,485	-	44,485	44,485
Repairs and Maintenance	28,551	5,726	-	-	5,726	34,277
Office Supplies	17,063	12,787	-	-	12,787	29,850
Occupancy	16,926	2,750	-	-	2,750	19,676
Depreciation	-	14,547	-	-	14,547	14,547
Training and Dues	6,191	6,923	-	-	6,923	13,114
Insurance	-	10,107	-	-	10,107	10,107
Equipment and Maintenance	6,849	103	-	-	103	6,952
Transportation	4,398	827	-	-	827	5,225
	<u>\$ 2,054,587</u>	<u>\$ 223,252</u>	<u>\$ 63,062</u>	<u>\$ -</u>	<u>\$ 286,314</u>	<u>\$ 2,340,901</u>

For the Year Ended September 30

2023

	Supporting Services				Total Supporting Services	Total
	Program Services	General and Administrative	Fundraising	Ballot Initiative		
Personnel Expenses	\$ 1,119,615	\$ 79,388	\$ 13,277	\$ 5,045	\$ 97,710	\$ 1,217,325
Food	485,184	-	-	-	-	485,184
Professional Services	24,720	92,705	-	1,030	93,735	118,455
Supplies	372,579	1,871	-	751	2,622	375,201
Fundraising	-	-	63,061	-	63,061	63,061
Repairs and Maintenance	48,251	4,125	-	-	4,125	52,376
Office Supplies	26,880	8,279	-	1,858	10,137	37,017
Occupancy	17,218	861	-	1,129	1,990	19,208
Depreciation	-	12,079	-	-	12,079	12,079
Training and Dues	6,761	175	-	-	175	6,936
Insurance	2,493	6,829	-	-	6,829	9,322
Equipment and Maintenance	3,099	-	-	-	-	3,099
Transportation	811	385	-	-	385	1,196
	<u>\$ 2,107,611</u>	<u>\$ 206,697</u>	<u>\$ 76,338</u>	<u>\$ 9,813</u>	<u>\$ 292,848</u>	<u>\$ 2,400,459</u>

For the Years Ended September 30	2024	2023
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 568,187	\$ (93,924)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	14,547	12,079
Net Realized and Unrealized Gains	(173,063)	(72,594)
Increase in Contracts and Grants Receivable	(50,794)	(123,144)
Increase in Prepaid Expenses	(202)	(3,983)
(Decrease) Increase in Accounts Payable	(24,487)	22,108
Increase in Accrued Expenses	33,557	52,422
Increase (Decrease) in Refundable Advances	52,270	(26,154)
Net Cash Provided by (Used in) Operating Activities	420,015	(233,190)
Cash Flows from Investing Activities:		
Purchase of Investments	(380,003)	(218,858)
Proceeds from Sale of Investments	366,897	203,485
Acquisition of Property and Equipment	(21,602)	(34,560)
Net Cash Used in Investing Activities	(34,708)	(49,933)
Net Increase (Decrease) in Cash	385,307	(283,123)
Cash, Beginning of Year	399,853	682,976
Cash, End of Year	\$ 785,160	\$ 399,853

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: Cambridge Economic Opportunity Committee, Inc. ("CEOC" or the "Organization") is a nonprofit organization founded in 1965. CEOC's mission is to empower people and mobilize resources to fight the causes and impacts of poverty through education and organizing. CEOC's vision is to envision an inclusive and diverse Cambridge without poverty where everyone has affordable housing, quality health care and education, food security and economic stability.

CEOC operates comprehensive bundled services which are funded primarily by government contracts and grants, and contributions from the general public. Program services include the following:

- *College Assistance:* CEOC advocates assist college applicants and their families with completion of their Free Application for Federal Student Aid (FAFSA) forms.
- *Financial Education:* CEOC facilitators provide individual and group education sessions focusing on budgeting, savings, debt reduction, credit, and identity theft.
- *Food Pantry:* CEOC operates a food pantry Monday through Thursday for individuals and families needing support.
- *Free Income Tax Preparation:* CEOC is an IRS-certified Volunteer Income Tax Assistance (VITA) partner providing free income tax preparation by appointment for individuals and families with low to moderate income.
- *Health Insurance Assistance:* CEOC is a certified Massachusetts Health Connector Navigator agency with trained staff to assist individuals and families choosing and enrolling in a health insurance plan, addressing medical bills, and sourcing health care providers.
- *Housing Assistance:* CEOC provides information and support regarding tenant rights and responsibilities, eviction and homelessness prevention, housing applications and recertification, landlord disputes and housing subsidies.
- *Public Benefits Assistance:* CEOC assists individuals with Social Security, MassHealth, Medicare and Emergency Aid to Elders, Disabled and Children (EAEDC) benefit applications and issues.
- *SNAP/Food Stamp Assistance:* CEOC assists individuals with Supplemental Nutrition Assistance Program (SNAP)/Food Stamp applications and annual recertification.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors. Net assets without donor restrictions include net assets designated by the board for specific purposes.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

1. Organization and Summary of Significant Accounting Policies (Continued):

Measure of Operations: The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Revenue and Other Support: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from government grants and contracts, contributions, and rental income.

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

Rental income is recorded monthly as the delivery of the services has occurred over the term of the lease, provided persuasive evidence of an arrangement exists, the fee is fixed or determinable and the collectability of the related receivable is probable. Rental payments received in advance are deferred until earned. Interest income is recorded when earned.

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

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

1. Organization and Summary of Significant Accounting Policies (Continued):

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Grant revenue is recognized as reimbursable expenses are incurred and upon meeting the legal and contractual requirements of the funding source.

Cash: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Contracts and Grants Receivable: Contracts and grants receivable include revenues that have been recognized, but not yet received and are carried at the fair value the Organization expects to receive, net of any allowance for uncollectible amounts. An allowance for uncollectible contracts and grants receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution and nature of fundraising activities. As of September 30, 2024 and 2023, the Organization has no allowance for uncollectible accounts.

Refundable Advances: Refundable advances consists of payments received on government grants and contracts for which the aforementioned revenue recognition criteria have not been met at year-end.

Investments and Investment Income: The Organization's investments are reported at fair value as of the date of the statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, investments, and contracts and grants receivable. The Organization maintains its cash and investments with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash and investments. Contracts and grants receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing the customer's credit worthiness. As of September 30, 2024 and 2023, management has determined all receivables are collectible and an allowance for doubtful accounts is not necessary.

1. Organization and Summary of Significant Accounting Policies (Continued):

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Property and Equipment: Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Building and Improvements	10 - 30 Years
Furniture and Fixtures	3 - 10 Years

Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of September 30, 2024 and 2023, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

The expenses that are allocated include the following:

Expense	Method of Allocation
Professional Services	Time and Effort
Occupancy	Square Footage
Personnel	Time and Effort

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of September 30, 2024 and 2023, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of September 30, 2024 and 2023. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from September 30, 2024 through February 13, 2025, the date the financial statements were available to be issued.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of September 30, 2024 and 2023, reduced by amounts not available for general use within one year of September 30, 2024 and 2023 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2024	2023
Cash	\$ 785,160	\$ 399,853
Current Portion of Contracts and Grants Receivable	315,410	364,616
Contracts and Grants Receivable, Net of Current Portion	100,000	-
Total Financial Assets at End of Year	1,200,570	764,469
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	300,000	-
	300,000	-
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 900,570	\$ 764,469

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, the Organization invests cash in excess of daily requirements in long-term investments. In the event of an unanticipated liquidity need, the Organization also could draw upon \$100,000 available under its line of credit.

3. Investments:

Investments as of September 30, 2024 and 2023 consist of the following:

	2024	2023
Equity Securities	\$ 564,940	\$ 341,808
Fixed Income Mutual Funds/Exchange Traded Funds (ETFs)	449,348	380,233
Equity Mutual Funds/ETFs	-	106,078
	\$ 1,014,288	\$ 828,119

For the years ended September 30, 2024 and 2023, net investment income consists of the following:

	2024	2023
Net Unrealized Gains	\$ 155,193	\$ 62,754
Interest and Dividends, Net	21,316	15,685
Net Realized Gains	17,870	9,840
	\$ 194,379	\$ 88,279

4. Fair Value Measurements:

Investments measured at fair value on a recurring basis as of September 30, 2024 and 2023 are as follows:

	Fair Value Measurements at September 30, 2024			
	Totals	Level 1	Level 2	Level 3
Equity Securities	\$ 564,940	\$ 564,940	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:				
Fixed Income Funds	449,348	449,348	-	-
	<u>\$ 449,348</u>	<u>\$ 449,348</u>	<u>\$ -</u>	<u>\$ -</u>
	Fair Value Measurements at September 30, 2023			
	Total	Level 1	Level 2	Level 3
Equity Securities	\$ 341,808	\$ 341,808	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:				
Fixed Income Funds	380,233	380,233	-	-
Equity Mutual Funds	106,078	106,078	-	-
	<u>\$ 828,119</u>	<u>\$ 828,119</u>	<u>\$ -</u>	<u>\$ -</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended September 30, 2024 and 2023.

Equity Securities: Valued at the closing price reported on the security's respective stock exchange.

Mutual Funds and Exchange Traded Funds: Valued at the daily closing price as reported by the fund. Mutual funds and exchange traded funds held by the Organization are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds held by the Organization are deemed to be actively traded.

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

5. Contracts and Grants Receivable:

Contracts and grants receivable as of September 30, 2024 and 2023 consists of the following:

	2024	2023
Receivable in Less Than One Year	\$ 315,410	\$ 364,616
Receivable in One to Five Years	100,000	-
	<u>\$ 415,410</u>	<u>\$ 364,616</u>

As of September 30, 2024, the Organization determined the discount required to present value the long-term portion of contracts and grants receivable using a risk-adjusted rate based on the daily treasury yield curves was immaterial to the financial statements.

6. Property and Equipment:

Property and equipment as of September 30, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 14,700	\$ 14,700
Building and Improvements	213,514	213,514
Furniture and Fixtures	86,009	64,407
	<u>314,223</u>	<u>292,621</u>
Less: Accumulated Depreciation	<u>203,780</u>	<u>189,233</u>
	<u>\$ 110,443</u>	<u>\$ 103,388</u>

Depreciation expense for the years ended September 30, 2024 and 2023 amounted to \$14,547 and \$12,079, respectively.

7. Line of Credit:

The Organization is party to a line of credit agreement with a bank for maximum borrowings of \$100,000, which are due on demand. The line of credit is renewable annually and remains in effect until both parties agree in writing to terminate the agreement. The line of credit bears interest at the prime rate plus 2.00% (10.00% at September 30, 2024), and is collateralized by substantially all assets of the Organization. As of September 30, 2024 and 2023, there were no amounts outstanding under the line of credit.

Under the terms of this line of credit agreement, the Organization is required to maintain certain financial covenants, with which the Organization was in compliance as of September 30, 2024 and 2023.

8. Net Assets with Donor Restrictions:

The Organization had no restricted net assets as of September 30, 2023. Net assets with donor restrictions as of September 30, 2024 consist of the following:

Subject to Passage of Time:	
Basic Services Grant	<u>\$ 300,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 300,000</u>

9. Related Party Transactions:

During the years ended September 30, 2024 and 2023, one member of the Board of Directors was employed by a financial institution in which the Organization holds depository accounts, investments, and its line of credit. The combined balances of these accounts at September 30, 2024 and 2023 amounted to \$1,799,448 and \$1,227,972, respectively. This Board member abstains from voting on matters relating to their employer.

10. Conditional Contributions

During the years ended September 30, 2024 and 2023, the Organization was awarded grants from various funders. These grant funds are contingent upon certain funder imposed restrictions. As of September 30, 2024 and 2023, \$298,886 and \$46,616, respectively, of these conditional grants remain.

11. Contributions - Nonfinancial Assets:

The Organization received contributed nonfinancial assets and services recognized as revenue and other support within the statements of activities. The contributed nonfinancial assets did not have donor-imposed restrictions. During the years ended September 30, 2024 and 2023, contributed nonfinancial assets consisted of the following:

	<u>2024</u>	<u>2023</u>
Donated Food	<u>\$ 151,860</u>	<u>\$ 128,225</u>

Donated food is valued and reported at the estimated fair value in the financial statements based on current market rates for similar items.

12. Retirement Plan:

The Organization sponsors a tax-deferred annuity retirement plan covering substantially all of its employees who meet certain eligibility requirements. CEOC does not make any contributions to this plan.

13. Economic Dependency:

During each of the years ended September 30, 2024 and 2023, the Organization generated a substantial portion of its revenue from two sources. Revenue from these sources approximated 50% of the Organization's total revenue during each of the years ended September 30, 2024 and 2023.

As of September 30, 2024 and 2023, contracts and grants receivable from three and two sources represented approximately 93% and 89%, each respectively, of the Organization's total contracts and grants receivable.

14. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of September 30, 2024 and 2023, no amounts have been accrued related to such indemnification provisions.

Schedule of Expenditures of Federal Awards

Cambridge Economic Opportunity Committee, Inc.

For the Year Ended September 30

2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
Department of Health and Human Services:				
<i>477 Cluster:</i>				
Passed-Through the Commonwealth of Massachusetts Executive Office of Housing and Livable Communities: Community Services Block Grant	93.569	F202034	\$ -	\$ 487,688
Total <i>477 Cluster</i>			-	487,688
Total Department of Health and Human Services			-	487,688
Department of Homeland Security:				
<i>Direct Funding:</i>				
Emergency Food and Shelter National Board Program	97.024	N/A	-	6,500
Total Department of Homeland Security			-	6,500
Department of Agriculture:				
<i>Forest Service Roads Cluster:</i>				
Passed-Through the Greater Boston Food Bank: Emergency Food Assistance Program (Food Commodities)	10.569	N/A	-	151,860
Total <i>Forest Service Roads Cluster</i>			-	151,860
<i>SNAP Cluster:</i>				
Passed-Through UMass Medical School: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	-	34,604
Total <i>SNAP Cluster</i>			-	34,604
Total Department of Agriculture			-	186,464
Department of Housing and Urban Development				
<i>Community Development Block Grant - Entitlement Grants Cluster:</i>				
Passed-Through the City of Cambridge: Community Development Block Grants/Entitlement Grants	14.218	CDBG (58420-34000- 500102-0028- CD19801)	-	72,657
Total <i>Community Development Block Grant - Entitlement Grants Cluster</i>			-	72,657
Total Department of Housing and Urban Development			-	72,657
Department of Treasury				
Passed-Through the City of Cambridge: Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP 1982	-	347,104
Total Department of Treasury			-	347,104
Total Expenditures of Federal Awards			\$ -	\$ 1,100,413

The accompanying notes are an integral part of this Schedule.

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended September 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Cambridge Economic Opportunity Committee, Inc. (the Organization) under programs of the federal government for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Costs

The Organization has elected not to use the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.



Independent Auditors' 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
Cambridge Economic Opportunity Committee, Inc.

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 accompanying financial statements of Cambridge Economic Opportunity Committee, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 13, 2025.

Report on Internal Control over Financial Reporting

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

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected in a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP
Tewksbury, Massachusetts
February 13, 2025



Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Cambridge Economic Opportunity Committee, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cambridge Economic Opportunity Committee, Inc. (the Organization) 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 the Organization's major federal programs for the year ended September 30, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 each major federal program. Our audit does not provide a legal determination of Organization'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 the Organization's federal programs.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditors' 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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but it 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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Organization'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 the Organization'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 the Organization'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 Auditors' 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. 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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
February 13, 2025

Year Ended September 30, 2024

I. Summary of Independent Auditors' Report

Schedule of Expenditures of Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported
- Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Types of auditors' report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes No

Identification of major programs

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualifies as low-risk auditee? Yes No

Year Ended September 30, 2024

II. Financial Statement Findings:

A. Significant Deficiencies or Material Weaknesses in Internal Control over Financial Reporting

None

B. Compliance Findings

None

III. Federal Award Findings and Questioned Costs:

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance

None

B. Compliance Findings

None

Year Ended September 30, 2023

Prior Year Findings:

II. Financial Statement Findings:

A. Significant Deficiencies or Material Weaknesses in Internal Control over Financial Reporting

None

B. Compliance Findings

None

III. Federal Award Findings and Questioned Costs:

A. Significant Deficiencies or Material Weaknesses in Internal Control over Compliance

None

B. Compliance Findings

None