



**FINANCIAL STATEMENTS TOGETHER WITH  
REPORT OF INDEPENDENT ACCOUNTANTS**

**SEPTEMBER 30, 2021 AND 2020**

# CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.

## TABLE OF CONTENTS

---

	<b>Page(s)</b>
Independent Auditor's Report .....	1-2
Financial Statements:	
Statements of Financial Position .....	3
Statement of Activities ( <i>with comparative totals for 2020</i> ) .....	4
Statement of Functional Expenses ( <i>with comparative totals for 2020</i> ) .....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7-16
Supplementary Information:	
Schedule of Expenditures of Federal Awards .....	17
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 <i>Government Auditing Standards</i> .....	18-19
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	20-21
Schedule of Findings and Questioned Costs .....	22
Summary Schedule of Prior Audit Findings .....	23



---

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Cambridge Economic Opportunity Committee, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cambridge Economic Opportunity Committee, Inc. as of September 30, 2021, 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.

## ***Other Matters***

### ***Other 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* 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 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 January 25, 2022, on our consideration of Cambridge Economic Opportunity Committee, Inc.'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 Cambridge Economic Opportunity Committee, Inc.'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 Cambridge Economic Opportunity Committee, Inc.'s internal control over financial reporting and compliance.

## **Report on Summarized Comparative Information**

We have previously audited Cambridge Economic Opportunity Committee, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Topsfield, Massachusetts  
January 25, 2022

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2021 AND 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 787,709	\$ 576,494
Contracts, grants and other receivables	323,148	190,314
Investments	892,057	785,341
Prepaid expenses	9,480	23,330
Total current assets	<u>2,012,394</u>	<u>1,575,479</u>
<b>PROPERTY AND EQUIPMENT</b> , at cost, net of accumulated depreciation	<u>89,530</u>	<u>98,154</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,101,924</u></u>	<u><u>\$ 1,673,633</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 33,479	\$ 24,993
Accrued expenses	125,637	103,935
Deferred revenue	281,335	221,940
Total current liabilities	<u>440,451</u>	<u>350,868</u>
<b>NET ASSETS:</b>		
Without donor restrictions:		
Undesignated	1,491,785	1,174,611
Designated for property and equipment	89,530	98,154
Designated by the Board of Directors	50,000	50,000
Total net assets without donor restrictions	<u>1,631,315</u>	<u>1,322,765</u>
With donor restrictions	<u>30,158</u>	<u>-</u>
Total net assets	<u>1,661,473</u>	<u>1,322,765</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,101,924</u></u>	<u><u>\$ 1,673,633</u></u>

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

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
*(with comparative totals for 2020)*

	2021		Total	Total 2020
	Without Donor Restrictions	With Donor Restrictions		
<b>REVENUES AND SUPPORT:</b>				
Government grants and contracts	\$ 1,365,714	\$ -	\$ 1,365,714	\$ 888,697
Grants and contributions - private	336,609	30,158	366,767	247,902
In-kind contributions	146,039	-	146,039	74,014
Net investment return	107,721	-	107,721	61,551
Rent and other income	25,000	-	25,000	27,339
Total revenues and support	<u>1,981,083</u>	<u>30,158</u>	<u>2,011,241</u>	<u>1,299,503</u>
<b>EXPENSES:</b>				
Program Services - Comprehensive Bundled Services	1,528,392	-	1,528,392	1,058,720
Supporting Services - General and Administrative	<u>144,141</u>	<u>-</u>	<u>144,141</u>	<u>229,519</u>
Total expenses	<u>1,672,533</u>	<u>-</u>	<u>1,672,533</u>	<u>1,288,239</u>
<b>CHANGE IN NET ASSETS</b>	308,550	30,158	338,708	11,264
<b>NET ASSETS, beginning of year</b>	<u>1,322,765</u>	<u>-</u>	<u>1,322,765</u>	<u>1,311,501</u>
<b>NET ASSETS, end of year</b>	<u>\$ 1,631,315</u>	<u>\$ 30,158</u>	<u>\$ 1,661,473</u>	<u>\$ 1,322,765</u>

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

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
*(with comparative totals for 2020)*

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total 2021</u>	<u>Total 2020</u>
Compensation and benefits:				
Salaries	\$ 668,282	\$ 48,248	\$ 716,530	\$ 591,058
Fringe benefits	126,368	8,712	135,080	119,482
Payroll taxes	47,836	3,205	51,041	42,479
Total compensation and benefits	<u>842,486</u>	<u>60,165</u>	<u>902,651</u>	<u>753,019</u>
Food	447,063	-	447,063	300,949
Supplies	120,388	-	120,388	52,246
Professional fees and consulting	21,042	56,543	77,585	107,973
Repairs and maintenance	43,133	-	43,133	8,048
Office	34,139	996	35,135	32,601
Occupancy	13,815	750	14,565	13,085
Insurance	-	11,509	11,509	2,936
Depreciation	-	8,624	8,624	8,057
Training and dues	1,398	5,554	6,952	7,701
Small equipment and maintenance	4,325	-	4,325	438
Transportation	603	-	603	1,186
	<u>\$ 1,528,392</u>	<u>\$ 144,141</u>	<u>\$ 1,672,533</u>	<u>\$ 1,288,239</u>

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

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 338,708	\$ 11,264
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,624	8,057
Net realized/unrealized gain on investments	(100,404)	(59,099)
Cash provided by (used in) changes in:		
Contracts, grants and other receivables	(132,834)	(99,059)
Prepaid expenses	13,850	(331)
Accounts payable	8,486	(5,272)
Accrued expenses	21,702	(8,782)
Deferred revenue	59,395	215,690
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>217,527</u>	<u>62,468</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	-	(11,812)
Maturity of certificate of deposit and reinvested income	-	142,716
Purchase of investments	(185,041)	(796,833)
Proceeds from sale of investments	178,729	70,591
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(6,312)</u>	<u>(595,338)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	211,215	(532,870)
CASH AND CASH EQUIVALENTS, beginning of year	<u>576,494</u>	<u>1,109,364</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 787,709</u>	<u>\$ 576,494</u>

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



**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

---

**1. NATURE OF THE ORGANIZATION**

Cambridge Economic Opportunity Committee, Inc. (“CEOC”) was founded in 1965 and its mission is to *empower people and mobilize resources to fight poverty’s causes and impacts 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 FAFSA (*Free Application for Federal Student Aid*) 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 VITA (*Volunteer Income Tax Assistance*) 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 EAEDC benefit applications and issues.

▪ *SNAP/Food Stamp Assistance*

CEOC assists individuals with SNAP/Food Stamp applications and annual recertification.

*(Continued)*

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Method of Accounting**

CEOC's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**Classification and Reporting Net Assets**

CEOC classifies net assets, revenues, gains and losses based on the existence or absence of donor or grantor-imposed restrictions. Consequently, net assets and changes therein are classified and reported as follows:

- i. Net assets without donor restrictions represent the portion of net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. It is CEOC's policy to report contributions with donor restrictions that are met in the same fiscal year the contributions are made as unrestricted revenue. Additionally, gains and investment income are treated as unrestricted revenue unless specifically restricted by donor or by law. The governing board has designated, from assets without donor restrictions, net assets for operating reserves.
- ii. Net assets with donor restrictions represent the portion of net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor-imposed restrictions that are temporary in nature are released and reclassified to net assets without donor restrictions when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**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.

**Management's Review**

In preparing these financial statements, CEOC's management has evaluated events and transactions for potential recognition or disclosure through January 25, 2022, the date the financial statements were available to be issued.

**Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CEOC's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

*(Continued)*

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Implementation of Recent Accounting Pronouncements**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods and services. The guidance follows a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization of certain contract costs, consideration of the time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. There was no cumulative effect of applying ASU 2014-09.

CEOC also adopted Accounting Standards Update (ASU) no. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendment clarifies guidance on how an entity determines whether a transfer of assets is a contribution or exchange transaction. The amendment also clarifies the determination of conditional contributions based on evaluating whether there is a right of return and a barrier to overcome. The amendment has been applied using the modified prospective method. There was no cumulative effect of applying ASU 2018-08.

CEOC also adopted Accounting Standards Update (ASU) no. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU no. 2020-07 requires entities to present contributed nonfinancial assets as a separate line item in the Statement of Activities and provide additional disclosures about contributions of nonfinancial assets. There was no cumulative effect of applying ASU 2020-07.

**Revenue Recognition**

Revenue from contracts and grants are recognized as services are performed and as resources are expended in accordance with the provisions of the applicable contract or grant agreement. Certain contracts are subject to possible audit by the contract agency administering the contract award. Contract revenue received in advance is recorded as deferred revenue in the accompanying Statements of Financial Position.

Rental income is recorded ratably over the term of the lease. Interest and other income are recorded as earned.

Contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair value. Gifts of cash or other support are reported as restricted (with donor restrictions) if received with donor stipulations that limit the use of the donated assets. 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.

**In-kind Goods and Services**

In-kind contributions are recorded as revenues without donor restrictions unless explicit donor stipulations specify how the donations must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenues with donor restrictions.

*(Continued)*

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**In-kind Goods and Services** *(continued)*

CEOC receives significant contributed services from volunteers in conducting its operations. The value of these services is not reflected in these financial statements, as they are not professional in nature nor do they create or add value to nonfinancial assets.

CEOC receives thousands of pounds of donated food from a nonprofit organization for distribution in its food pantry network. The value of these donations is based on a per pound price as governed by the Greater Boston Food Bank and was \$146,039 and \$74,014 for the years ended September 30, 2021 and 2020, respectively. These amounts are reflected as in-kind contribution revenue without donor restrictions and included in food expense in the accompanying financial statements.

**Deferred Revenue**

During the year ended September 30, 2021, CEOC received government contracts. CEOC recognizes revenues when earned. Deferred revenue represents prepayments on government contracts and not earned as of September 30, 2021.

**Functional Expense Allocation**

CEOC allocates its expenses on a functional basis between its program and supporting services. Expenses that can be identified with its program are allocated directly according to their natural expense classification. The expenses that are allocated to supporting services include occupancy and certain professional services, which are allocated on the basis of estimates of time and effort, and utilized square footage of space. Indirect expenses are allocated based upon estimates made by management.

Supporting services are those costs related to operating and managing CEOC's programs on a day-to-day basis. Supporting services consist of general and administrative expenses which include all activities related to CEOC's internal management and accounting for program services.

Allocation of functional expenses is on a reasonable basis that is consistently applied. The basis of allocation may change from year to year. As a result, prior year information may be reallocated for comparative purposes.

**Cash and Cash Equivalents**

CEOC considers all liquid investments with an original maturity of three months or less to be cash or cash equivalents.

**Certificate of Deposit**

The certificate of deposit consisted of one (1) certificate which was redeemed early during the fiscal year ended September 30, 2020.

**Contracts, Grants and Other Receivables**

Contracts and grants receivable are classified as current if they are expected to be received within one year, and non-current when the expected receipt exceeds one year. Management uses the allowance method for establishing provisions for probable losses on contracts, grants and other receivables for financial reporting. Management has reviewed outstanding receivables and has determined that no allowance for doubtful accounts is necessary.

*(Continued)*

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Investments and Fair Value Reporting**

Investments include equity and debt instruments which are publicly traded, and whose fair value is therefore classified and disclosed as Level I. Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Purchases and sale of securities are recorded on a trade-date basis. Investment return, primarily interest, dividends, realized and unrealized gains and losses is recorded when earned and considered available for unrestricted use unless otherwise restricted by the donor. Investment fees are netted against investment return. Realized and unrealized gains and losses are determined on the basis of specific identification and recognized on a trade-date basis.

In accordance with generally accepted accounting principles, CEOC uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Investments measured at fair value are classified and disclosed in one of the following categories:

**Level I:** Quoted prices are available in active markets for identical investments as of the reporting date.

**Level II:** Pricing inputs are other than quoted prices in active markets of comparable investments, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

**Level III:** Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment, and requires significant judgment or estimation.

**Property and Equipment**

Property and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of contributed assets. Purchases of property and equipment in excess of \$5,000 and having a useful life over three years are capitalized. Expenditures for major renewals and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Upon retirement or disposal of assets, the cost and related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in income.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Building and improvements	10-30 years
Furniture and office equipment	3-10 years

Depreciation expense was \$8,624 and \$8,057 for the years ended September 30, 2021 and 2020, respectively.

**Impairment of Long-Lived Assets**

In accordance with accounting principles generally accepted in the United States of America, CEOC has given consideration to the impairment of its long-lived assets in its presentation of these financial statements. As of September 30, 2021, CEOC has not recognized any reduction in the carrying value of its property and equipment.

*(Continued)*

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Compensated Absences**

Employees are entitled to paid vacation and personal days off depending on job classification, length of service and other factors. Unpaid, earned vacation and personal days are recorded as accrued expenses in the accompanying Statements of Financial Position.

**Income Tax Status**

CEOC is a public charity formed for charitable purposes under IRS Section 501(c)(3) and is exempt from Federal and state income taxes on trade or business profits generated by activities related to its exempt purpose. CEOC may be subject to income taxes on profits generated by unrelated trade or business income.

CEOC is required to report uncertain tax positions, related interest and penalties. As of September 30, 2021, CEOC determined that there were no material uncertain tax positions to report.

For the years ended September 30, 2021 and 2020, management has determined that CEOC does not have any unrelated trade or business income and, as a result, no provision for income taxes is presented in these financial statements. CEOC is subject to audit by tax authorities generally for three years after its returns were filed.

**Advertising Costs**

CEOC's policy is to expense advertising costs as incurred.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 787,709	\$ 576,494
Contracts, grants and other receivables	323,148	190,314
Investments	<u>892,057</u>	<u>785,341</u>
	2,002,914	1,552,149
Less: net assets with donor restrictions	<u>(30,158)</u>	<u>-</u>
	<u><u>\$ 1,972,756</u></u>	<u><u>\$ 1,552,149</u></u>

CEOC maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations become due. As part of its liquidity management plan, CEOC invests cash in excess of daily requirements in an investment account.

The board-designated operating reserve (\$50,000, included above) is subject to spending limitations and, although CEOC does not intend to spend from this reserve, these amounts could be made available, if necessary.

CEOC also has available a \$100,000 bank line of credit to assist operationally as needed.

*(Continued)*

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**4. INVESTMENTS**

At September 30, 2021 and 2020, investments were comprised as follows:

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	\$ 26,806	\$ 26,806	\$ 25,827	\$ 25,827
Equity securities	374,244	277,311	317,685	285,499
Equity mutual funds/ETFs	138,041	115,891	94,506	83,036
Fixed income mutual funds/ETFs	379,772	371,380	373,150	362,184
Total investment securities	\$ 918,863	\$ 791,388	\$ 811,168	\$ 756,546

Cash and cash equivalents (\$26,806 and \$25,827 for the years ended September 30, 2021 and 2020, respectively) is included in cash and cash equivalents on the Statements of Financial Position. Based on the fair value hierarchy levels, fair value measurements are classified as follows at September 30, 2021 and 2020:

	September 30, 2021			
	Level I	Level II	Level III	Total
Cash and cash equivalents	\$ 26,806	\$ -	\$ -	\$ 26,806
Equity securities	374,244	-	-	374,244
Equity mutual funds/ETFs	138,041	-	-	138,041
Fixed income mutual funds/ETFs	379,772	-	-	379,772
	\$ 918,863	\$ -	\$ -	\$ 918,863

	September 30, 2020			
	Level I	Level II	Level III	Total
Cash and cash equivalents	\$ 25,827	\$ -	\$ -	\$ 25,827
Equity securities	317,685	-	-	317,685
Equity mutual funds/ETFs	94,506	-	-	94,506
Fixed income mutual funds/ETFs	373,150	-	-	373,150
	\$ 811,168	\$ -	\$ -	\$ 811,168

*(Continued)*

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**4. INVESTMENTS (continued)**

Net investment return for the years ended September 30, 2021 and 2020, is comprised of the following:

	2021	2020
Interest and dividends, net	\$ 7,317	\$ 2,452
Realized gain on investments	27,551	4,477
Unrealized gain on investments	72,853	54,622
	<u>\$ 107,721</u>	<u>\$ 61,551</u>

Investment fees of \$9,257 and \$4,875 for the years ended September 30, 2021 and 2020, respectively, were netted with interest and dividend income.

**5. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	2021	2020
Land	\$ 14,700	\$ 14,700
Building and improvements	213,514	213,514
Furniture and office equipment	29,847	29,847
	<u>258,061</u>	<u>258,061</u>
Less - accumulated depreciation	168,531	159,907
	<u>\$ 89,530</u>	<u>\$ 98,154</u>

**6. LINE OF CREDIT**

CEOC has a \$100,000 line of credit agreement with a bank. Advances are due on demand and are secured by all assets of CEOC. Interest is payable monthly at 2% over the prime rate published in the Wall Street Journal (3.25% at September 30, 2021 and 2020). There were no outstanding advances at September 30, 2021 and 2020. The line of credit agreement is renewable annually and contains various financial covenants. CEOC was in compliance with these covenants at September 30, 2021 and 2020.

*(Continued)*



**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**7. DEFERRED REVENUE**

The following table provides information about significant changes in income received in advance for the years ended September 30, 2021 and 2020:

	2021	2020
Deferred revenue, beginning of year	\$ 221,940	\$ 6,250
Revenue recognized that was included in deferred revenue at the beginning of year	(221,940)	(6,250)
Increase in deferred revenue due to cash received during the year	281,335	221,940
Deferred revenue, end of year	\$ 281,335	\$ 221,940

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at September 30, 2021 included \$30,158 of funds restricted for future use. There were no net assets with donor restrictions at September 30, 2020.

**9. RENTAL INCOME**

CEOC leases a portion of its office space to an unrelated, nonprofit organization requiring monthly rent of \$2,083. The lease agreement expired December 31, 2021. Total rental income for the years ended September 30, 2021 and 2020, was \$25,000, and is included in rent and other income in the accompanying Statements of Activities. Future rental income under the lease is as follows:

October 1, 2021 – September 30, 2022	\$15,625
October 1, 2022 – September 30, 2023	\$3,125

**10. RETIREMENT PLAN**

CEOC offers eligible employees the ability to enroll in a tax-deferred annuity retirement plan. CEOC does not make any contributions to this plan.

**11. FINANCIAL INSTRUMENTS, CREDIT RISK AND CONCENTRATION RISK**

CEOC maintains its operating cash and certificate of deposit balances in Massachusetts banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain amounts. At times during the year, cash balances may exceed insured amounts. CEOC has not experienced any losses in such accounts.

CEOC receives a significant portion of its funding from the Commonwealth of Massachusetts and the City of Cambridge under cost reimbursement and unit-rate contracts. Payments to CEOC are subject to audit by the appropriate government agency. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of CEOC at September 30, 2021 and 2020, or on the results of operations for the years then ended.

*(Continued)*

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**11. FINANCIAL INSTRUMENTS, CREDIT RISK AND CONCENTRATION RISK** *(continued)*

The following sources provided a significant portion of CEOC’s total revenue for the years ended September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Commonwealth of Massachusetts, Department of Housing and Community Development	41%	38%
City of Cambridge	21%	18%

The following sources represent a significant portion of CEOC’s contracts, grants and other receivables as of September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
City of Cambridge	91%	69%
Commonwealth Health Insurance Connector Authority	5%	20%

**12. RELATED PARTY TRANSACTIONS**

During the years 2021 and 2020, one member of the Board of Directors was employed by a financial institution in which CEOC holds depository accounts, investments, and its line of credit. The combined balances of these accounts at September 30, 2021 and 2020, were \$1,673,341 and \$550,667, respectively. This Board member abstains from voting on matters relating to their employer.

**13. PARTNERSHIP INTEREST**

CEOC is a member of the Family Stability Project; a partnership comprised of the De Novo Center for Justice and Healing, the Transition House and CEOC. During fiscal year 2021 and 2020, the partnership was awarded a \$250,000 grant from the City of Cambridge Community Benefits Fund to be used to provide targeted training to improve housing stability, financial security, and overall well-being to families living in Cambridge. The De Novo Center for Justice and Healing is the fiscal agent for the partnership. There were no amounts due CEOC at September 30, 2021.

**14. COVID-19**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses, schools and organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of intermittent closures. CEOC expects these matters to potentially negatively impact its current fiscal year operations. However, the long-term financial impact and duration of the intermittent closures cannot be reasonably estimated at this time.

**15. RECLASSIFICATION**

Certain amounts in the 2020 comparative financial statements have been reclassified to conform to the 2021 presentation.

SUPPLEMENTARY INFORMATION

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**SEPTEMBER 30, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>			
Pass-Through the Massachusetts Department of Housing and Community Development	93.569	F202034	\$ 465,330
Pass-Through CARES Funding	93.569	F202037	237,581
Commonwealth of Massachusetts Community Services Block Grant	93.569	70020025	112,338
City of Cambridge Community Development Block Grant	14.218	B20MC250005	73,020
<b>U.S. Department of Agriculture</b>			
The Emergency Food Assistance Program (Food Commodities) - The Greater Boston Food Bank	10.569	N/A	146,039
			<b>\$ 1,034,308</b>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**SEPTEMBER 30, 2021**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cambridge Economic Opportunity Committee, Inc., and is presented on the accrual basis of accounting. 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) utilizing the July 2021 Compliance Supplement. Because the Schedule presents only a selected portion of the operations of Cambridge Economic Opportunity Committee, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Cambridge Economic Opportunity Committee, Inc.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



---

**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 of  
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 financial statements of Cambridge Economic Opportunity Committee, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 25, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cambridge Economic Opportunity Committee, Inc.’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 Cambridge Economic Opportunity Committee, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Cambridge Economic Opportunity Committee, Inc.’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 may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cambridge Economic Opportunity Committee, Inc.'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 the 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, appearing to read "BJHC PC". The letters are bold and stylized, with some overlapping.

Topsfield, Massachusetts  
January 25, 2022



---

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

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

**Report on Compliance for Each Major Federal Program**

We have audited Cambridge Economic Opportunity Committee, Inc.’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cambridge Economic Opportunity Committee, Inc.’s major federal programs for the year ended September 30, 2021. Cambridge Economic Opportunity Committee, Inc.’s major federal programs are identified in the summary of the auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of Cambridge Economic Opportunity Committee, Inc.’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cambridge Economic Opportunity Committee, Inc.’s compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cambridge Economic Opportunity Committee, Inc.’s compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, Cambridge Economic Opportunity Committee, Inc. 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, 2021.

### **Report on Internal Control over Compliance**

Management of Cambridge Economic Opportunity Committee, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

In planning and performing our audit of compliance, we considered Cambridge Economic Opportunity Committee, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cambridge Economic Opportunity Committee, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Topsfield, Massachusetts  
January 25, 2022



**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SEPTEMBER 30, 2021**

---

A. SUMMARY OF AUDITOR'S RESULTS:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Cambridge Economic Opportunity Committee, Inc. were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Cambridge Economic Opportunity Committee, Inc. were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs of Cambridge Economic Opportunity Committee, Inc. expresses an unmodified opinion.
6. Audit findings required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The programs tested as major programs were: Assistance Living, CFDA #93.569 Community Services Block Grant.
8. The threshold for distinguishing between Types A and B programs was \$750,000.
9. Cambridge Economic Opportunity Committee, Inc. was determined to be a high-risk auditee.

B. FINDING – FINANCIAL STATEMENT AUDIT:

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None

**CAMBRIDGE ECONOMIC OPPORTUNITY COMMITTEE, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**SEPTEMBER 30, 2021**

---

There were no prior audit findings.