

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**

**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION**

For the Years Ended June 30, 2020 and 2019

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**

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For the Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Development Partnership and Thankful Chase Pathways, LLC
Eastham, Massachusetts

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Community Development Partnership and Thankful Chase Pathways, LLC, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years 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 consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with audited 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Development Partnership and Thankful Chase Pathways, LLC as of June 30, 2020 and 2019, 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.

Other Matters**Other Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules on pages 27 through 34, as required by the Department of Rural Development are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on pages 25 through 26, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 15, 2021, on our consideration of Community Development Partnership and Thankful Chase Pathways, LLC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Community Development Partnership and Thankful Chase Pathways, LLC's internal control over financial reporting and compliance.

Sanders, Walsh & Eaton, CPAs, LLC

West Chatham, Massachusetts
January 15, 2021

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Consolidated Statements of Financial Position
June 30, 2020 and 2019

ASSETS		
	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash Accounts	\$ 1,640,900	\$ 1,378,973
Restricted Capital Reserve Cash Accounts	521,639	436,523
Escrow Accounts	93,404	157,655
Accounts Receivables	434,065	463,838
Rent Receivables	15,260	37,916
Prepaid expenses	105,727	93,187
Security deposits	48,411	44,102
Loans receivable, current portion	85,909	134,680
Total Current Assets	<u>2,945,314</u>	<u>2,746,874</u>
Fixed Assets:		
Land	1,129,203	1,129,203
Buildings and equipment	10,123,297	10,083,061
Total Fixed Assets	<u>11,252,501</u>	<u>11,212,264</u>
Accumulated depreciation	(4,382,709)	(4,056,039)
Net Fixed Assets	<u>6,869,791</u>	<u>7,156,225</u>
Other Assets:		
Inventory: Fishing permits	600,000	600,000
Loans receivable, long term (net of allowances for loan losses of \$30,000 and \$30,000 respectively)	202,057	191,250
Total Other Assets	<u>802,057</u>	<u>791,250</u>
Total Assets	<u><u>\$ 10,617,162</u></u>	<u><u>\$ 10,694,349</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 164,852	\$ 148,557
Accrued expenses	214,689	164,214
Advance on grant contracts	150,369	254,133
Security deposits	47,309	44,259
Mortgage and Note payable, current portion	254,550	129,196
Total Current Liabilities	<u>831,769</u>	<u>740,359</u>
Long-Term Liabilities:		
Mortgage Payable - Private and Government	2,446,486	2,229,538
Note Payable - Scallop Quota Loan	202,752	255,924
Government Mortgages - Deferred Financing	5,389,011	5,389,011
Total Long-Term Liabilities	<u>8,038,249</u>	<u>7,874,473</u>
Total Liabilities	<u>8,870,018</u>	<u>8,614,832</u>
Net Assets:		
Without Donor Restrictions	1,747,144	2,079,517
Total Net Assets	<u>1,747,144</u>	<u>2,079,517</u>
Total Liabilities and Net Assets	<u><u>\$ 10,617,162</u></u>	<u><u>\$ 10,694,349</u></u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**

Consolidated Statements of Activities
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Changes in unrestricted net assets		
Grant income	\$ 1,332,620	\$ 2,002,479
Program income	772,340	882,247
Contributions	612,718	569,134
Special events	74,495	74,555
Interest income	15,067	13,141
Other income	43,752	26,682
Total Revenues and Support	<u>2,850,992</u>	<u>3,568,238</u>
Expenses:		
Program	2,903,624	3,246,506
General and administrative	-	37,857
Fundraising	279,740	205,456
Total Expenses	<u>3,183,364</u>	<u>3,489,819</u>
Increase in Net Assets	(332,373)	78,419
Net Assets, Beginning of Year	<u>2,079,517</u>	<u>2,001,098</u>
Net Assets, End of Year	<u>\$ 1,747,144</u>	<u>\$ 2,079,517</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**

Consolidated Statements of Functional Expenses

For the Year Ended June 30, 2020 and 2019

2020				
	Program	General and Administrative	Fund-Raising	Total
Salaries, benefits, and payroll taxes	\$ 946,876	\$ 291,679	\$ 142,468	\$ 1,381,022
Advertising	27,076	19,349	15,696	62,121
Depreciation and amortization	335,648	5,613	568	341,829
Dues and memberships	4,810	890	1,289	6,989
Insurance	62,374	5,531	1,590	69,494
Interest	151,884	1,525	99	153,509
Licenses, permits and fees	7,249	769	8,446	16,464
Maintenance and repairs	210,608	14,152	3,809	228,569
Office supplies and equipment	40,202	10,750	14,138	65,090
Professional fees	109,510	17,584	30,337	157,431
Real estate tax	17,416	-	-	17,416
Rent (Office expense)	2,540	9,300	1,600	13,440
Special program	562,401	-	1,250	563,651
Training	3,783	1,138	2,363	7,284
Travel	13,712	2,144	2,238	18,094
Utilities	76,558	3,614	789	80,961
Subtotal	2,572,647	384,037	226,680	3,183,364
Allocation of G&A costs	330,977	(384,037)	53,060	-
Total	<u>\$ 2,903,624</u>	<u>\$ (0)</u>	<u>\$ 279,740</u>	<u>\$ 3,183,364</u>

2019				
	Program	General and Administrative	Fund-Raising	Total
Salaries, benefits, and payroll taxes	\$ 850,609	\$ 202,704	\$ 98,835	\$ 1,152,148
Advertising	41,129	21,495	17,869	80,493
Depreciation and amortization	329,979	8,157	384	338,520
Dues and memberships	3,999	1,015	841	5,855
Insurance	62,968	5,212	1,067	69,247
Interest	157,311	1,360	15	158,686
Licenses, permits and fees	5,181	1,337	8,087	14,605
Maintenance and repairs	176,739	11,891	2,614	191,244
Office supplies and equipment	50,927	16,938	13,948	81,813
Professional fees	156,202	13,695	28,627	198,524
Real estate tax	16,939	-	-	16,939
Rent (Office expense)	2,033	2,858	2,798	7,689
Special program	1,057,466	-	2,000	1,059,466
Training	9,705	1,269	523	11,497
Travel	14,449	1,244	780	16,473
Utilities	81,721	4,242	657	86,620
Subtotal	3,017,357	293,417	179,045	3,489,819
Allocation of G&A costs	229,149	(255,560)	26,411	-
Total	<u>\$ 3,246,506</u>	<u>\$ 37,857</u>	<u>\$ 205,456</u>	<u>\$ 3,489,819</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Increase/(Decrease) in net assets	\$ (332,373)	\$ 78,419
Adjustments to reconcile changes in net assets provided by operating activities:		
Depreciation	326,670	338,918
(Increase) decrease in:		
Accounts receivable	29,773	81,347
Rents receivable	22,656	(13,675)
Loan receivables	37,964	(4,865)
Escrow accounts	64,251	49,057
Security deposits	(4,309)	(489)
Prepaid expenses	(12,540)	(12,099)
Increase (decrease) in:		
Accounts payable	16,295	64,099
Deposits payable	3,050	1,614
Accrued expenses	50,475	47,806
Advance on grant contracts	(103,764)	(245,870)
Net Cash Provided by Operating Activities	<u>98,150</u>	<u>384,262</u>
Cash Flows from Investing Activities:		
Net deposits to reserves	(85,116)	(1,189)
Purchase of property and equipment	(40,236)	(65,249)
Net Cash Used in Investing Activities	<u>(125,353)</u>	<u>(66,438)</u>
Cash Flows from Financing Activities:		
Repayments of mortgage payable	289,130	(122,835)
Net Cash Used in Financing Activities	<u>289,130</u>	<u>(122,835)</u>
Net increase/(Decrease) in Cash	261,927	194,989
Cash, Beginning of Year	1,378,973	1,183,984
Cash, End of Year	<u>\$ 1,640,900</u>	<u>\$ 1,378,973</u>
Supplemental Cash Flow Information		
Interest costs incurred	\$ 153,509	\$ 158,686
Interest subsidy credited	(45,762)	(45,762)
Interest Costs Paid	<u>\$ 107,747</u>	<u>\$ 112,924</u>
Noncash Financing and Investing Activities:		
Government interest subsidies credited towards debt service requirements	\$ 45,762	\$ 45,762
Noncash Financing and Investing Activities:	<u>\$ 45,762</u>	<u>\$ 45,762</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Lower Cape Cod Community Development Corporation d/b/a Community Development Partnership (CDP) was organized July 1, 1992, as a nonprofit corporation under the Massachusetts General Laws Chapter 180 and was formed to promote and assist community-based development organizations and individuals in their efforts to address the needs of low and moderate income residents in the Lower Cape Cod Area.

Thankful Chase Pathway, LLC (TCP) a for-profit company owned 100% by CDP have been consolidated with the financial activity of CDP for the years ended June 30, 2020 and 2019. TCP was formed for the purpose of investment and holding of a leasehold interest in, and development of, real estate and interests therein, including, but not limited to, the leasing, acquiring, operating, selling, financing, refinancing, disposing of and otherwise dealing with interests in real estate, directly or indirectly through joint ventures, partnerships or other entities, specifically those associated with the property known as 35 Main Street Extension, Harwich, Massachusetts, to be known as Thankful Chase Pathways, with the specific intention of holding the property as affordable housing, and to engage in any activities directly or indirectly related or incidental thereto.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Tax Exempt Status

CDP is a not-for-profit organization exempt from taxes under Internal Revenue Code 501(c)(3) and is defined as a voluntary health and welfare organization.

Principals of Consolidation

The consolidated financial statements include the accounts CDP and TCP (for-profit company) , its 100% wholly owned subsidiary. All significant intercompany balances and transactions were eliminated in consolidation. The organization have common control and an element of economic interest. Unless otherwise noted, these consolidated entities are hereinafter referred to as "CDP."

Net Assets

Net assets are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor- imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Net Assets (continued):

Net Assets With Donor Restrictions - Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a 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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll and associated costs, as well as, occupancy costs which are allocated on the basis of estimates of time and efforts.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, CDP considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost or, if donated, fair value on the date of receipt. The Organization's capitalization policy is to capitalize fixed assets in excess of \$1,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities, are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities. Property and equipment are depreciated using the straight-line method over their estimated useful lives of three to ten years for equipment and five to thirty years for buildings and improvements.

CDP reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2020 and 2019.

Revenue and Revenue Recognition

CDP recognizes revenue from program services when the performance obligations providing the services are met. CDP recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Donated Services and In-Kind Donations

Volunteers contribute significant amounts of time to program services, administration, and fundraising and developing activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respected fair values of the services received. Total in-kind contributions amounted to \$33,960 and \$64,178 for the year ended June 30, 2020 and 2019, respectively.

Advertising

CDP follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended June 30, 2020 and 2019 were \$21,772 and \$80,493, respectively.

Compensated Absences

Compensated absences have been accrued in the amount of \$66,421 and \$47,216 as of June 30, 2020 and 2019, respectively.

Receivables

Accounts and loan receivables are stated at unpaid balances, less an allowance for doubtful accounts. CDP determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2020 and 2019, the allowance was \$30,000.

NOTE B - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents at June 30 consist of the following:

	2020	2019
General operating fund	\$ 971,038	\$ 633,494
Money market funds	669,862	745,479
Total cash and cash equivalents	<u>\$ 1,640,900</u>	<u>\$ 1,378,973</u>

Included in total cash and cash equivalents is restricted cash for the Micro loan program at June 30 consists of the following:

	2020	2019
Money market funds	<u>\$ 115,036</u>	<u>\$ 146,857</u>

NOTE C - RESTRICTED DEPOSITS AND FUNDED RESERVES:

Replacement Reserve and Solar Reserve

In accordance with the terms of the MHP's regulatory agreement TCP funds and maintains a replacement reserve fund. The replacement reserve balance was \$60,131 and \$52,393 as of June 30, 2020 and 2019, respectively. The Solar reserve balance was \$23,536 and \$23,177 as of June 30, 2020 and 2019, respectively.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE C - RESTRICTED DEPOSITS AND FUNDED RESERVES (continued):

Operating Reserve

In accordance with the terms of the MHP's regulatory agreement, TCP will maintain a revenue fund account for its operations, starting March 31, 2011, held by MHP. The revenue fund amount at June 30, 2020 and 2019 was \$14,931 and \$14,704, respectively.

Rental Property Reserve Accounts

CDP maintains funded reserves for various rental properties for future capital improvements. The reserves account balances were \$421,337 and \$346,248 as of June 30, 2020 and 2019, respectively.

Escrow Reserve Accounts

Escrow reserve accounts were comprised of the following as of June 30, 2020 and 2019:

	2020	2019
Mass Ground Fish Loan Fund	\$ 77,089	\$ 141,305
Mass Housing Partnership Escrow Reserve-TCP	9,256	9,319
CDBG - Housing Rehabilitation Fund	7,059	7,031
	<u>\$ 93,404</u>	<u>\$ 157,655</u>

NOTE D - INVENTORIES:

Inventories consist of three (3) fishing permits purchased for resale/lease. They are stated at the lower of cost or market. The inventory balance was \$600,000 and \$600,000 as of June 30, 2020 and 2019, respectively.

NOTE E - LINE OF CREDIT:

CDP has entered into credit agreements with banks that allow the Corporation to borrow an amount not to exceed \$75,000. The credit line bears interest at prime plus 1%. The loan is not secured by the assets of the Corporation. The outstanding balance as of June 30, 2020 and 2019 was \$0 and \$0, respectively.

CDP has entered into a seven (7) year credit agreement with Massachusetts Growth Capital Corporation (MGCC), a Massachusetts quasi-public lending agency, that allows CDP to borrow an amount not to exceed \$250,000 for the purpose of providing capital to fund microloans to qualified businesses. The credit line bears interest only of 3.25% for three (3) years. Outstanding principal balance at the end of the three (3) year period is amortized over a four (4) year period with a maturity date of January 29, 2021. The outstanding balance as of June 30, 2020 and 2019 was \$0 and \$0, respectively.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE F - RENTAL REHABILITATION AND HOUSING REHABILITATION LOAN PROGRAM:

CDP has received pass-through grants from the Towns of Wellfleet, Truro, Eastham and Dennis to administer rehabilitation loans to eligible property owners or investors under the United States Department of Housing and Urban Development Small Cities Program. Loans are now capped at \$40,000 per unit, and repayment of the outstanding balance is forgiven over a fifteen year period at the rate of 6.7% per year provided that the borrower is in compliance with loan provisions. The loans are secured through a fifteen year property lien.

CDP does not expect to collect on a substantial portion of these loans and any loans collected because of default of grant terms and conditions would be remitted to the grant awarding authorities and do not represent available resources to CDP. Therefore, the issuance of these loans is considered a non-exchange transaction and is recorded as a grant/program expense in the financial statements and no receivable is recorded. Grant revenue and expense was \$576,465 and \$1,059,466 for the years ended June 30, 2020 and 2019 respectively.

NOTE G - LOANS RECEIVABLE:

CDP microloan fund was funded originally with a pass-through grant from the Town of Chatham to administer a small business revolving loan program under the United States Department of Housing and Urban Development Small Cities program. These micro-loans of up to \$40,000 are issued to eligible individuals to start up or expand small, private businesses in the Lower Cape Cod area. Principal and interest is repayable monthly at interest rates of prime plus 2%, and the loan maturities do not exceed a five year term. An allowance for doubtful accounts is estimated each year based on specific identification of at risk loans. Uncollectible loans are charged off when the business declares bankruptcy.

CDP Ground Fish Revolving loan fund was funded by a \$250,000 federal pass through grant from the Massachusetts Department of Marine Fisheries. The Ground fish revolving loans of up to \$50,000 are issued to eligible individuals to encourage the continued profitability of small-scale ground fish fishing businesses with leasing ground fish quota.

CDP Shellfish Microloan fund was capitalized by a \$60,000 contribution from Wellfleet SPAT. Loans are made to eligible applicants that are Wellfleet based shellfish and aquaculture businesses.

In addition to the microloan, ground fish revolving loan and shellfish microloan funds, CDP has also issued short-term business loans, using its own funds to fund various small businesses such as scallop leases to buy quota licenses.

Loans receivables are carried at unpaid principal balances, less an allowance for loan losses and net deferred loan fees. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay and current economic conditions.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE G - LOANS RECEIVABLE (continued):

Loan receivables were comprised of the following at June 30, 2020 and 2019:

	2020	2019
Microloans	\$ 243,662	\$ 221,229
Ground fish loans	66,061	129,459
Shellfish microloans	8,243	5,242
	<u>317,966</u>	<u>355,930</u>
Less allowance for uncollected accounts	(30,000)	(30,000)
Net Loan Receivable	<u>\$ 287,966</u>	<u>\$ 325,930</u>

NOTE H - GRANT REVENUE:

CDP receives a substantial amount of its revenue from the United States Department of Housing and Urban Development on a pass-through basis under cost reimbursement contracts, which are based on approved budgets. Additional funding is received directly from the United States Department of Agriculture as rent subsidies and through fees charged by the Registry of Motor Vehicles associated with the issuance of Cape and Islands license plates, net of related direct costs. Under Massachusetts General Law Chapter 90, Section 2, CDP receives 20% of the net fees of these license plates in amounts proportional to the number of vehicles registered in Barnstable County in order to promote tourism or economic development.

Revenue received under cost reimbursement contracts and grants is conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when CDP have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. CDP received \$150,369 and \$254,133 in advance under these federal and state contracts and grants for the year ended June 30, 2020 and 2019, respectively. Support received under rent subsidies and the Cape and Islands license plate program are recorded as grant revenue when cash or notification from Barnstable County is received. Cape and Islands license plate revenue is allocated for the use among CDP programs by the Board of Directors.

A summary of CDP's significant grant programs for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
U.S. Department of Housing and Urban Development	\$ 654,086	\$ 1,199,950
U.S. Department of Agriculture	203,203	203,234
Mass Growth Capital Corp.	76,191	76,239
Commonwealth - DHCD	100,000	100,000
Mass Housing Partnership	7,000	-
Commonwealth Corp.	1,750	-
Commonwealth - EOHED	-	35,000
Towns/ Barnstable	137,018	214,765
Cape and Islands Plates	153,372	173,291
	<u>\$ 1,332,620</u>	<u>\$ 2,002,479</u>

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE I - MORTGAGES AND NOTES PAYABLE :

	<u>2020</u>	<u>2019</u>
Mortgages payable:		
Note payable to US Department of Agriculture (USDA), 6.75% interest and principal payment of \$2,183 payable monthly, final payment due September, 2032, collateralized by property located at 324 Old Kings Highway, Wellfleet, MA.	\$ 946,383	\$ 952,832
Note payable to Cape Cod Five Cent Savings Bank, 4.64% interest and principal payment of \$1,540 payable monthly, final payment due October, 2025, collateralized by property located at 836 Main Street, Harwich, MA.	85,829	99,900
Note payable to the Cape Cod Five Cents Savings Bank, 9.04% interest and principal payment of \$961 payable monthly, final payment due August, 2020, collateralized by property located at Gull Cottages, Eastham.	82,534	86,290
Note payable to Seamen's Bank, 5.0% interest and principal payment of \$724 payable monthly, final payment due August, 2037, collateralized by property located at 27 Nelson Ave., Provincetown, MA.	99,150	102,700
Note payable to TD Bank, 4.99% interest and principal payment of \$2,478 payable monthly, final payment due May, 2027, collateralized by property located at 17 & 19 Robert Lane.	172,642	193,002
Note payable to Cape Cod Five Cents Savings Bank, 4.45% interest and principal payment of \$506 payable monthly, final payment due December, 2025, collateralized by property located at Unit 7 Main Street Mercantile, Eastham, MA.	29,537	34,160
Note payable to TD Bank, 4.84% interest and principal payment of \$654 payable monthly, final payment due March, 2033, collateralized by property located at 1475 State Highway, Eastham, MA.	72,968	77,104
Note payable to Cape Cod Five Cents Savings Bank, 6.26% interest and principal payment of \$376 payable monthly, final payment due July, 2033, collateralized by property located at Gull Cottages, Eastham, MA.	40,038	41,934
Note payable to Town of Eastham, 5.00% interest and principal payment of \$2,315 payable semi-annually, final payment due November, 2019, collateralized by property located at Gull Cottages, Eastham.	-	1,654

**COMMUNITY DEVELOPMENT PARTNERSHIP
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Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE I- MORTGAGES AND NOTES PAYABLE (continued):

	<u>2020</u>	<u>2019</u>
Note payable to the Massachusetts Housing Partnership (MHP), 6.58 interest and principal payment of \$4,653 payable monthly, final payment due August 25, 2031, collateralized by property located at Thankful Chase Pathway.	638,089	651,453
Note payable to Seaman's Bank, 4.0% interest and principal payment of \$219 payable monthly, final payment due August 13, 2020, collateralized by property located at 3 Main Street Mercantile, Unit 18A.	29,710	31,096
Note payable to Seaman's Bank, 4.0% interest and principal payment of \$244 payable monthly, final payment due January 7, 2021, collateralized by property located at 3 Main Street Mercantile, Unit 6.	33,720	35,241
Note payable to SBA under Economic Injury Disaster Loan Program (EIDL), 2.75% interest and principal payment of \$641 payable monthly, final payment due May 28, 2050, collateralized all intangible and tangible property.	150,000	-
Notes payable under Paycheck Protection Program (PPP) through Cooperative Bank of Cape Cod, 0.986% interest and principal of \$14,997 payable monthly, final payment April 16, 2022, loan is unsecured.	<u>266,500</u>	<u>-</u>
Total Mortgages Payable	2,647,100	2,309,385
Note Payable:		
Note payable to Cape Cod Commercial Fisherman's Alliance 3.0% interest and principal payment of \$4,143 payable monthly, final payment due October, 2026, collateralized by three(3) Northeast Federal Fishery Permits.	<u>256,688</u>	<u>307,292</u>
Total Note Payable	<u>256,688</u>	<u>307,292</u>
Total Mortgages and Note Payable	<u>2,903,788</u>	<u>2,616,677</u>
Current portion	(254,550)	(129,196)
Long term portion	<u>\$ 2,649,238</u>	<u>\$ 2,487,481</u>

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE I- MORTGAGES AND NOTES PAYABLE (continued):

<u>June 30</u>	135,656
2021	132,245
2022	138,857
2023	146,199
2024	152,933
2025	1,781,399
Thereafter	<u>\$ 2,487,289</u>

CDP incurred interest costs totaling \$155,494 and \$158,686 for the years ended June 30, 2020 and 2019, respectively, all of which were charged to operations.

NOTE J - GOVERNMENT MORTGAGES - DEFERRED FINANCING:

CDP - Deferred Financing provided by HUD

Note payable to the Dept. of Housing and Community Development (DHCD) through the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$170,000 due March, 2037, collateralized by property located at 71 Canal Rd., Orleans, MA .

	<u>2020</u>	<u>2019</u>
	\$ 170,000	\$ 170,000

Note payable to the Barnstable County through the Cape Cod Commission under the HOME Investment Partnership Program, 0.00% interest and balloon payment of \$120,000 due March, 2037, collateralized by property located at 71 Canal Rd., Orleans, MA .

	120,000	120,000
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Note payable to Barnstable County through the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$166,000 due August, 2040, collateralized by property located at Gull Cottages, Eastham.

	166,000	166,000
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Note payable to Barnstable County through the Cape Cod Commission under the HOME Investment Partnership Program, 0.00% interest and balloon payment of \$60,000 due June, 2041, collateralized by property located at 27 Nelson Ave., Provincetown,

	60,000	60,000
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Note payable to DHCD under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$550,000 due April, 2032, collateralized by property located at 324 Old Kings Highway, Wellfleet, MA.

	550,000	550,000
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**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE J - GOVERNMENT MORTGAGES - DEFERRED FINANCING (continued) :

	<u>2020</u>	<u>2019</u>
Note payable to Barnstable County through the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$175,000 due April, 2042, collateralized by property located at 324 Old Kings Highway, Wellfleet,	175,000	175,000
Note payable to Barnstable County through the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$160,000 due July, 2044, collateralized by property located at 58 Harry Kemp Way,	160,000	160,000
Note payable to the Barnstable County through the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$117,714 due October, 2055, collateralized by property located at 836 Main Street, Harwich, MA.	117,714	117,714
Note payable to the Barnstable County through the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$37,286 due October, 2055, collateralized by property located at 836 Main Street, Harwich, MA.	37,286	37,286
Note payable to DCHD through the Town of Provincetown under the Housing Development Support Program CDBG, 0.00% interest and balloon payment of \$176,373 due August, 2041, collateralized by property located at 27 Nelson Ave., Provincetown, MA .	176,373	176,373
Note payable to DCHD through the Town of Harwich under the Housing Development Support Program CDBG, 0.00% interest and balloon payment of \$493,000 due November, 2052, collateralized by property located at 17 & 19 Robert Lane, Harwich, MA .	493,000	493,000
Note payable to DCHD through the Town of Eastham under the Housing Development Support Program CDBG, 0.00% interest and balloon payment of \$248,400 due April, 2052, collateralized by property located at 1475 State Highway, Eastham, MA .	248,400	248,400
Default Conditional Note payable to The Resource, Inc. through Housing Rehab Loan Program, 0.00% interest and payment in the amount of \$40,163 due June 2020, collateralized by property located at 836 Main Street, Harwich, MA. (Forgiven at due date if loan conditions met.)	40,163	40,163
Total CDP Deferred Financing provided by HUD	<u>2,513,936</u>	<u>2,513,936</u>

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE J - GOVERNMENT MORTGAGES - DEFERRED FINANCING (continued):

	<u>2020</u>	<u>2019</u>
TCP - Deferred Financing provided by HUD		
Note payable to the Barnstable County through the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$550,500 due March, 2041, collateralized by property located at Thankful Chase Pathway.	550,000	550,000
 Note payable to the Barnstable County through the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of \$150,000 due February 26, 2060, collateralized by property located at Thankful Chase Pathway.	<u>150,000</u>	<u>150,000</u>
Total TCP Deferred Financing provided by HUD	<u>700,000</u>	<u>700,000</u>
 Total Deferred Financing provided by HUD	<u>3,213,936</u>	<u>3,213,936</u>
 CDP - Other governmental agencies deferred loans:		
Note payable to the Massachusetts Housing Fund Board under the Massachusetts Housing Stabilization Fund, 0.00% interest and balloon payment of \$400,000 due October, 2055, collateralized by property located at 836 Main Street, Harwich, MA.	400,000	400,000
 Note payable to Massachusetts DHCD under the Housing Stabilization Program, 0.00% interest and balloon payment of \$159,750 due July, 2044, collateralized by property located at 58 Harry Kemp Way, Provincetown, MA.	159,750	159,750
 Note payable to the Massachusetts DHCD under the Affordable Housing Trust, 0.00% interest and balloon payment of \$265,325 due October, 2035, collateralized by property located at 836 Main Street, Harwich, MA.	<u>265,325</u>	<u>265,325</u>
CDP - Other governmental agencies deferred loans:	<u>825,075</u>	<u>825,075</u>
 Total CDP deferred governmental Financing	<u>4,039,011</u>	<u>4,039,011</u>
 TCP - Other governmental agencies deferred loans:		

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE J - GOVERNMENT MORTGAGES - DEFERRED FINANCING (continued) :

	<u>2020</u>	<u>2019</u>
Thankful Chase Pathways, LLC secured financing from a Massachusetts Corporation, Community Economic Development Assistance Corporation (CEDAC), for a maximum amount of \$350,000 due March 31, 2041. In the requirements of the Housing Innovations Funds are met, CEDAC may extend the maturity date for another ten (10) years period until March 31, 2051. Principal and interest payments are not required before the maturity dates unless the cash flow generated by the project exceeds 105% of the capital expenditures of the project. This loan is collateralized by property located at Thankful Chase Pathway.	350,000	350,000
Note payable to the Massachusetts Housing Partnership (MHP) at 0% interest, final payment due March 31, 2031, collateralized by property located at Thankful Chase Pathway.	400,000	400,000
Note payable to the Affordable Housing Trust, 0.00% interest and balloon payment of \$600,000 due March, 2041, collateralized by property located at Thankful Chase Pathway.	600,000	600,000
Total TCP - Other governmental agencies deferred loans:	<u>1,350,000</u>	<u>1,350,000</u>
Total Government Mortgages - Deferred Financing	<u><u>\$ 5,389,011</u></u>	<u><u>\$ 5,389,011</u></u>

The following is a maturity schedule for the above-mentioned government mortgage payables:

<u>June 30</u>	
2020	\$ 40,163
2021	
2022	-
2023	-
2024	-
Thereafter	5,348,848
	<u><u>\$ 5,389,011</u></u>

CDP incurred interest costs on the deferred governmental mortgages totaling \$0 and \$0 for the years ended June 30, 2020 and 2019, respectively.

The property located at 324 Old King's Highway in Wellfleet, Massachusetts consists of buildings, improvements and program equipment. The land is owned by the Wellfleet Housing Authority and leased to CDP through November 2061 at no cost.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
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NOTE K - RELATED PARTY TRANSACTIONS:

Board members also include employees of Cape Cod Five Cents Savings Bank and Seamen's Bank, which hold mortgage loans on property owned by CDP. These Board members do not have positions which affect the lending of funds to CDP.

NOTE L - ECONOMIC DEPENDENCY:

CDP receives substantially all of its funding from federal, state, and county agencies. A loss in a funding source would have an adverse material effect on the Corporation. A summary of the significant funding categories and the governmental agencies follows:

	2020	2019
United States Department of Agriculture - Direct Loans	\$ 946,383	\$ 952,832
United States Department of Agriculture - Mortgage Interest Subsidy	45,762	45,762
United States Department of Agriculture - Rental Assistance	106,001	110,706
United States Department of Agriculture - Rural Enterprise Grant	51,440	46,766
United States Department of HUD-HOME Direct Loans Permanent	2,256,000	2,256,000
United States Department of HUD-CDBG Direct Loans Permanent	957,936	957,936
United States Department of HUD-CDBG Housing Rehab Grants	654,086	1,199,947
United States Department of HUD-Section 8 Rental Assistance	245,380	246,109
Massachusetts DHCD-Housing Stabilization Direct Loan Permanent	559,750	559,750
Massachusetts DHCD-Affordable Housing Trust Direct Loan Perm.	865,325	865,325
Massachusetts CEDAC-Affordable Housing Deferred Direct Loan	350,000	350,000
Massachusetts MHP-Affordable Housing Deferred Direct Loan	400,000	400,000
	<u>\$ 7,438,063</u>	<u>\$ 7,991,133</u>

NOTE M - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK:

Concentrations of credit risk with respect to trade receivables and note receivables are limited due to the large number of customers comprising CDP's customer base and their dispersion across differing industries and geographic areas. CDP maintains its cash balances in various financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for each institution. CDP has bank balances at June 30, 2020 in excess of \$250,000 at both Seamen's Bank and Cape Cod Five Savings Bank. The balances over \$250,000 are covered by the Depositors Insurance Fund (DIF), in which Seamen's Bank and CC5 Savings Bank have memberships. At June 30, 2020 and 2019, CDP's uninsured cash balances totaled \$0 and \$0, respectively.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Consolidated Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE N - CONTINGENT LIABILITIES:

CDP receives a substantial portion of its revenues from various government contracts; all of which are subject to audit by the applicable government agency. Should an audit be conducted and result in any disallowed costs, CDP would be liable for such disallowed amounts. In management's opinion, liability, if any, resulting from such an audit would not have a material adverse effect on CDP's financial position. Additionally, contracts entered into with the agency contain compliance provisions which require CDP to adhere to specified operating methods and procedures. In the event of noncompliance, the agency has the discretion to demand immediate repayment of the notes payable described in Note I and Note J.

NOTE O - PENSION PLAN:

CDP established a SIMPLE IRA Plan as an employee benefit program as defined under Section 401(k) of the U.S. Internal Revenue Code. Eligible employees are able to elect employee deferred amounts in accordance with IRS guidelines. CDP matches employee elective deferrals up to a match of 3% of eligible employee compensation. Pension expense was \$22,916 and \$18,425 for the years ended June 30, 2020 and 2019, respectively.

NOTE P- LIQUIDITY AND AVAILABILITY:

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

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 1,640,900	\$ 1,378,973
Accounts receivable	434,065	463,838
Loans receivable, current portion	85,909	134,680
Rent receivable	15,260	37,916
Total financial assets	<u>2,176,134</u>	<u>2,015,407</u>
Less amounts not available to be used within one year:		
Donor or Board designated:	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,176,134</u>	<u>\$ 2,015,407</u>

CDP regularly monitors liquidity to meet its operating needs and other commitments and obligations. CDP's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in savings and money market accounts. Management prepares regular cash flow projections to determine liquidity needs. Refer to the statement of cash flows which identifies the sources and uses of the CDP's cash.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**

Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE Q - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AND ACTIVITIES:

	June 30, 2020		
	CDP	TCP	TOTAL
Current Assets:			
Cash Accounts	\$ 1,501,105	\$ 139,795	\$ 1,640,900
Restricted Capital Reserve Cash Accounts	423,042	98,598	521,639
Escrow Accounts	84,148	9,256	93,404
Accounts Receivables	434,441	(376)	434,065
Rent Receivables	15,260	-	15,260
Prepaid expenses	99,850	5,876	105,727
Security deposits	35,735	12,675	48,411
Loans receivable, current portion	85,909	-	85,909
Total Current Assets	<u>2,679,490</u>	<u>265,824</u>	<u>2,945,314</u>
Fixed Assets:			
Land	1,129,203	-	1,129,203
Buildings and equipment	6,478,612	3,644,685	10,123,297
Total Fixed Assets	<u>7,607,815</u>	<u>3,644,685</u>	<u>11,252,501</u>
Accumulated depreciation	<u>(3,258,931)</u>	<u>(1,123,778)</u>	<u>(4,382,709)</u>
Net Fixed Assets	<u>4,348,884</u>	<u>2,520,907</u>	<u>6,869,791</u>
Other Assets:			
Inventory: Fishing permits	600,000	-	600,000
Loans receivable, long term (net of loan losses of \$30,000 and \$22,000 respectively)	202,057	-	202,057
Total Other Assets	<u>802,057</u>	<u>-</u>	<u>802,057</u>
Total Assets	<u>\$ 7,830,431</u>	<u>\$ 2,786,731</u>	<u>\$ 10,617,162</u>
Current Liabilities:			
Accounts payable	\$ 150,578	\$ 14,274	\$ 164,852
Accrued expenses	214,689	-	214,689
Advance on grant contracts	150,369	-	150,369
Deposits payable	34,651	12,658	47,309
Mortgage payable, current portion	254,550	14,032	254,550
Total Current Liabilities	<u>804,837</u>	<u>40,964</u>	<u>831,769</u>

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE Q - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AND ACTIVITIES (continued):

	For the Year Ended June 30, 2020		
	CDP	TCP	TOTAL
Long-Term Liabilities:			
Mortgage Payable - Private and Government	\$ 1,822,429	\$ 624,057	\$ 2,446,486
Note Payable - Scallop Quota	202,752	-	202,752
Government Mortgages -	3,339,011	2,050,000	5,389,011
Total Long-Term Liabilities	<u>5,364,193</u>	<u>2,674,057</u>	<u>8,038,249</u>
Total Liabilities	<u>6,169,029</u>	<u>2,715,021</u>	<u>8,870,018</u>
Net Assets:			
Without Donor Restrictions	<u>1,675,434</u>	<u>71,710</u>	<u>1,747,144</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,844,463</u></u>	<u><u>\$ 2,786,731</u></u>	<u><u>\$ 10,617,162</u></u>
Changes in net assets without donor restrictions			
Grant income	\$ 1,332,620	\$ -	\$ 1,332,620
Program income	579,112	193,228	772,340
Contributions	611,518	1,200	612,718
Special events	74,495	-	74,495
Interest income	13,568	1,499	15,067
Other income	41,841	1,912	43,752
Total Revenues and Support	<u>2,653,153</u>	<u>197,839</u>	<u>2,850,992</u>
Expenses:			
Program	2,613,391	290,233	2,903,624
General and administrative	-	-	-
Fundraising	279,740	-	279,740
Total Expenses	<u>2,893,131</u>	<u>290,233</u>	<u>3,183,364</u>
Decrease in Net Assets	(239,978)	(92,394)	(332,373)
Net Assets, Beginning of Year	<u>1,915,412</u>	<u>164,105</u>	<u>2,079,517</u>
Net Assets, End of Year	<u><u>\$ 1,675,434</u></u>	<u><u>\$ 71,710</u></u>	<u><u>\$ 1,747,144</u></u>

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**

Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019

NOTE Q - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AND ACTIVITIES (continued):

	June 30, 2019		
	CDP	TCP	TOTAL
Current Assets:			
Cash Accounts	\$ 1,251,537	\$ 127,436	\$ 1,378,973
Restricted Capital Reserve Cash Accounts	346,249	90,274	436,523
Escrow Accounts	148,336	9,319	157,655
Accounts Receivables	463,206	632	463,838
Rent Receivables	37,916		37,916
Prepaid expenses	87,363	5,824	93,187
Security deposits	31,474	12,628	44,102
Loans receivable, current portion	134,680	-	134,680
Total Current Assets	<u>2,500,761</u>	<u>246,113</u>	<u>2,746,874</u>
Fixed Assets:			
Land	1,129,203	-	1,129,203
Buildings and equipment	6,438,376	3,644,685	10,083,061
Total Fixed Assets	<u>7,567,579</u>	<u>3,644,685</u>	<u>11,212,264</u>
Accumulated depreciation	<u>(3,053,750)</u>	<u>(1,002,289)</u>	<u>(4,056,039)</u>
Net Fixed Assets	<u>4,513,829</u>	<u>2,642,396</u>	<u>7,156,225</u>
Other Assets:			
Inventory: Fishing permits	600,000	-	600,000
Loans receivable, long term			
(net of loan losses of \$22,000)	<u>191,250</u>	<u>-</u>	<u>191,250</u>
Total Other Assets	<u>791,250</u>	<u>-</u>	<u>791,250</u>
Total Assets	<u>\$ 7,805,840</u>	<u>\$ 2,888,509</u>	<u>\$ 10,694,349</u>
Current Liabilities:			
Accounts payable	\$ 138,219	\$ 10,338	\$ 148,557
Accrued expenses	164,214	-	164,214
Advance on grant contracts	254,133	-	254,133
Deposits payable	31,644	12,615	44,259
Mortgage payable, current portion	<u>116,056</u>	<u>13,140</u>	<u>129,196</u>
Total Current Liabilities	<u>704,266</u>	<u>36,093</u>	<u>740,359</u>
Long-Term Liabilities:			
Mortgage Payable - Private and	1,591,226	638,312	2,229,538
Note Payable - Scallop Quota	255,924	-	255,924
Government Mortgages -	<u>3,339,011</u>	<u>2,050,000</u>	<u>5,389,011</u>
Total Long-Term Liabilities	<u>5,186,161</u>	<u>2,688,312</u>	<u>7,874,473</u>
Total Liabilities	<u>5,890,427</u>	<u>2,724,405</u>	<u>8,614,832</u>

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

NOTE Q - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AND ACTIVITIES (continued):

	For the Year Ended June 30, 2019		
	CDP	TCP	TOTAL
Net Assets:			
Without Donor Restrictions	1,915,413	164,104	2,079,517
TOTAL LIABILITIES AND NET ASSETS	\$ 7,805,840	\$ 2,888,509	\$ 10,694,349
Changes in net assets without donor restrictions			
Grant income	\$ 2,002,479	\$ -	\$ 2,002,479
Program income	694,990	187,257	882,247
Contributions	567,934	1,200	569,134
Special events	74,555	-	74,555
Interest income	11,119	2,022	13,141
Other income	26,442	240	26,682
Total Revenues and Support	3,377,519	190,719	3,568,238
Expenses:			
Program	2,979,164	267,341	3,246,505
General and administrative	37,857	-	37,857
Fundraising	205,457	-	205,457
Total Expenses	3,222,478	267,341	3,489,819
Decrease in Net Assets	155,041	(76,622)	78,419
Net Assets, Beginning of Year	1,760,372	240,726	2,001,098
Net Assets, End of Year	<u>\$ 1,915,413</u>	<u>\$ 164,104</u>	<u>\$ 2,079,517</u>

NOTE R - SUBSEQUENT EVENTS:

CDP evaluated subsequent events through January 15, 2021 the date which the financial statements were available to be issued. Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the pandemic has a negative effect on the Organization's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass through Grantor/Program or Cluster title</u>	<u>Federal CFDA #</u>	<u>Federal Expenditures</u>
Type A Programs:		
U.S. Department Of Housing and Urban Development		
HOME Investment Partnership program deferred non interest mortgage mortgage loans	14.239	\$ 2,256,000
CDBG - Small Cities Program; Thru Massachusetts DHCD Housing Housing Development support program deferred non interest mortgage loans	14.228	957,936
CDBG - Small Cities Program; Thru Massachusetts DHCD Thru Township of Dennis and Truro, Massachusetts housing rehabilitation grants	14.228	654,086
U.S. Department Of Agriculture		
Rural Rental Housing Mortgage Loan	10.415	946,383
Rural Rental Housing Mortgage Loan interest subsidy	10.415	45,762
Rural Development Rental Assistance Payments	10.427	106,001
Type A Total		<u>4,966,168</u>
Type B Programs:		
U.S. Department Of Housing and Urban Development		
Section 8 - Housing Choice Vouchers	14.871	245,380
U.S. Department of Agriculture		
Rural Business Enterprise Grant	10.769	51,440
Type B Total		<u>296,820</u>
Total Federal assistance		<u>\$ 5,262,988</u>

Type A programs are determined to be the larger of \$750,000 or three (3) percent of total federal awards expended if total awards exceed \$750,000. There were no awards received that were passed through to subrecipients.

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Community Development Partnership and Thankful Chase Pathways, LLC under programs of the federal government for the year ended June 30, 2020. 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 of Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Community Development Partnership and Thankful Chase Pathways, LLC it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Development Partnership and Thankful Chase Pathways, LLC.

NOTE B - 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 the *Uniform Guidance and OMB Circular A-122, Costs Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE:

Community Development Partnership and Thankful Chase Pathways, LLC has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. There are no cost reimbursement contracts.

NOTE D - FEDERAL AWARDS EXPENDED FOR LOAN OR LOAN GUARANTEE PROGRAMS:

Balances of loans and loan guarantee programs outstanding as of June 30, 2020 for loans described in 2 CFR section 200.502(b) are as follows:

<i>CFDA #</i>	<i>Program name</i>	<i>Beginning balance as of 6/30/19</i>	<i>New loans from 7/1/19- 6/30/20</i>	<i>Outstanding balance as of 6/30/20</i>
14.239	HOME Investment Partnership program deferred non interest mortgage loans	\$ 2,256,000	\$ -	\$ 2,256,000
14.228	Small Cities Program deferred non interest mortgage loans	957,936	-	957,936
10.415	Rural Rental Housing Mortgage Loan and interest subsidy	998,594	-	992,145
	<i>Total</i>	<u>\$ 4,212,530</u>	<u>\$ -</u>	<u>\$ 4,206,081</u>

**COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC**
Statement of Findings and Questioned Costs
For the Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued

Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes

 x no

Reportable condition(s) identified not

considered to be material weaknesses?

_____ yes

 x none reported

Noncompliance material to financial statements noted?

_____ yes

 x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ yes

 x no

Reportable condition(s) identified not

considered to be material weaknesses?

_____ yes

 x none reported

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

Unmodified opinion

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200. 516(a)?

_____ yes

 x no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.415	Rural Rental Housing Mortgage Loan
10.427	Rural Development Rental Assistance Payments

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000

Auditee qualified for low-risk auditee:

 x yes

_____ no

SECTION II - FINANCIAL STATEMENT FINDINGS

No reportable findings related to the Financial Statement Audit in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

Position 3
**MULTI-FAMILY HOUSING
BORROWER BALANCE SHEET**

PART I - BALANCE SHEET

PROJECT NAME: Wellfleet Apartments	BORROWER NAME: Lower Cape Cod CDC	BORROWER ID AND PROJECT NO. 25-001-0223191450(01-02)
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ASSETS

CURRENT ASSETS

1. GENERAL OPERATING ACCOUNT
2. R.E. TAX & INSURANCE ACCOUNT
3. RESERVE ACCOUNT
4. SECURITY DEPOSIT ACCOUNT
5. OTHER CASH (*identify*)
6. OTHER (*identify*)
7. ACCOUNTS RECEIVABLE (*Attach list*)
 - ACCTS RCVBL 0-30 DAYS
 - ACCTS RCVBL 30-60 DAYS
 - ACCTS RCVBL 60-90 DAYS
 - ACCTS RCVBL OVER 90 DAYS
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS
9. INVENTORIES (supplies)
10. PREPAYMENTS
12. **TOTAL CURRENT ASSETS** (*Add 1 thru 11*)

BEGINNING DATES>
ENDING DATES>

CURRENT
YEAR
(07 - 01 -19)
(06 - 30 -20)

PRIOR YEAR
(07 - 01 -18)
(06 - 30 -19)

COMMENTS

23,087	23,856	
-	-	
199,478	190,445	
4,524	4,616	
6,290	1,455	
	1,095	
	751	
	4,681	
-	-	
7,029	7,060	
240,408	233,960	

FIXED ASSETS

13. LAND
14. BUILDINGS
15. LESS: ACCUMULATED DEPRECIATION
16. FURNITURE & EQUIPMENT
17. LESS: ACCUMULATED DEPRECIATION
18. _____
19. **TOTAL FIXED ASSETS** (*Add 13 thru 18*)

95,000	95,000	
1,892,385	1,901,461	(\$15K) Write Off, \$6.2K Imp
(1,075,877)	(1,008,604)	
-	-	
-	-	
911,508	987,857	

OTHER ASSETS

20. _____
21. **TOTAL ASSETS** (*Add 12,19, and 20*)

-	-	
1,151,916	1,221,817	

LIABILITIES AND OWNERS EQUITY

CURRENT LIABILITIES

22. ACCOUNTS PAYABLE (*Attach list*)
 - ACCTS PAYABLE 0-30 DAYS
 - ACCTS PAYABLE 30-60 DAYS
 - ACCTS PAYABLE 60-90 DAYS
 - ACCTS PAYABLE OVER 90 DAYS
23. NOTES PAYABLE
24. SECURITY DEPOSITS
25. **TOTAL CURRENT LIABILITIES** (*Add 22 thru 24*)

28,738	13,658	
	3,106	
	17,683	
4,511	4,606	
33,249	39,052	

LONG-TERM LIABILITIES

26. NOTES PAYABLE RURAL DEVELOPMENT

27. Other - DHCD HOME & County HOME

28. **TOTAL LONG-TERM LIABILITIES** (Add 26 and 27)

946,383	952,832	
725,000	725,000	DHCD \$550K & BC \$175K
1,671,383	1,677,832	

29. **TOTAL LIABILITIES** (Add 25 and 28)

1,704,632	1,716,885	
-----------	-----------	--

30. OWNER'S EQUITY (Net Worth) (21 minus 29)

(552,716)	(495,067)	
-----------	-----------	--

29. **TOTAL LIABILITIES AND OWNER'S EQUITY**
(Add 29 and 30)

1,151,916	1,221,817	
-----------	-----------	--

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

(Date)

(Signature of Borrower or Borrower's Representative)

*(Title)***PART II - THIRD PARTY VERIFICATION OF REVIEW**

I/We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD3560-7, is a fair presentation of the borrower's records.

I/We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

(Date)

See Auditor's Report*(Signature)*

Joseph McGee, CPA*(Name and Title)*

224 Pine Lane Extension - PO Box F

Osterville, MA 02655-1056*(Address)*

____ In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

PROJECT NAME: Wellfleet Apartments		BORROWER NAME: Lower Cape Cod CDC		BORROWER ID AND PROJECT NO. 25-001-0223191450(01-02)	
Loan/Transfer Amount \$		Note Rate Payment \$		IC Payment \$	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular <input type="checkbox"/> Rent Change SMP	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed LH	Profit Type <input type="checkbox"/> Full Profit <input type="checkbox"/> Limited Profit <input checked="" type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input checked="" type="checkbox"/> Other - Propane gas	
				I hereby request _____ units of RA. Current number of RA units 12 Borrower Accounting Method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	

PART I - CASH FLOW STATEMENT

BEGINNING DATES>
ENDING DATES>

CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
(07 - 01 - 19)	(07 - 01 - 19)	(07 - 01 - 20)	
(06 - 30 - 20)	(06 - 30 - 20)	(06 - 30 - 21)	

OPERATIONAL CASH SOURCES

1. RENTAL INCOME
2. RHS RENTAL ASSISTANCE RECEIVED
3. APPLICATION FEES RECEIVED
4. LAUNDRY AND VENDING
5. INTEREST INCOME
6. TENANT CHARGES
7. OTHER - Grant for Resident Support
8. LESS (Vacancy and Contingency Allowance)
9. LESS (Bad Debt)
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]

167,952	64,208	189,552	
	106,001		
690	837	806	
843	885	853	
-	4,693	-	
1,200	1,200	1,200	
(1,679)	(1,818)	(3,791)	
-	(9,369)	-	
169,006	166,638	188,620	

NON-OPERATIONAL CASH SOURCES

11. CASH - NON PROJECT
12. AUTHORIZED LOAN (Non-RHS)
13. TRANSFER FROM RESERVE
14. SUB-TOTAL (11 thru 13)

-	-	-	
-	-	-	
36,764	1,850	27,547	Transition Plan-Accessibility
36,764	1,850	27,547	

15. TOTAL CASH SOURCES (10+14)

205,770	168,488	216,167	
---------	---------	---------	--

OPERATIONAL CASH USES

16. TOTAL O&M EXPENSES (From Part II)
17. RHS DEBT PAYMENT
18. RHS PAYMENT (Overage)
19. RHS PAYMENT (Late Fee)
20. REDUCTION IN PRIOR YEAR PAYABLES
21. TENANT UTILITY PAYMENTS
22. TRANSFER TO RESERVE
23. RETURN TO OWNER
24. SUB-TOTAL (16 thru 23)

122,553	119,985	122,546	
26,193	26,193	26,193	
	1,985		
	-		
	34,446		
	-		
10,280	10,882	31,800	
-	-	-	
159,026	193,492	180,539	

NON-OPERATIONAL CASH USES

25. AUTHORIZED DEBT PAYMENT (Non-RHS)
26. CAPITAL BUDGET (III)
27. MISCELLANEOUS - Prepaid Insurance
28. SUB-TOTAL (25 thru 27)

-	-	-	
36,764	6,224	27,547	Sliders - Pd from Oper
-	(32)	-	
36,764	6,192	27,547	

29. TOTAL CASH USES (24+28)

195,790	199,684	208,086	
---------	---------	---------	--

30. NET CASH (DEFICIT) (15-29)

9,980	(31,196)	8,081	
-------	----------	-------	--

CASH BALANCE

31. BEGINNING CASH BALANCE
32. ACCRUAL TO CASH ADJUSTMENT (See Part III)
33. ENDING CASH BALANCE (30+31+32)

5,000	23,856	10,286	
	30,428		Itemized in part III
14,980	23,087	18,367	

PART II - OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL	11,372	11,870	11,562	
2. MAINTENANCE AND REPAIRS SUPPLY	3,025	5,943	5,500	
3. MAINTENANCE AND REPAIRS CONTRACT	11,050	12,562	7,500	
4. PAINTING AND DECORATING	3,225	1,650	2,500	
5. SNOW REMOVAL	1,500	1,033	1,500	
6. ELEVATOR MAINTENANCE/CONTRACT	-	-	-	
7. GROUNDS	4,700	2,905	4,700	
8. SERVICES	-	-	-	
9. CAPITAL BUDGET	-	-	-	
10. OTHER OPERATING EXPENSES (Itemize)	-	-	-	
Travel	1,300	1,513	1,650	
11. SUB-TOTAL MAINT. & OPERATING (11 thru 10)	36,172	37,476	34,912	
12. ELECTRICITY	3,100	2,697	3,100	
13. WATER	14,935	10,838	12,150	
14. SEWER	4,783	3,394	3,200	
15. FUEL (Propane)	8,750	8,385	7,100	
16. GARBAGE & TRASH REMOVAL	2,772	2,627	2,900	
17. OTHER UTILITIES	-	-	-	
18. SUB-TOTAL UTILITIES (12 thru 17)	34,340	27,941	28,450	
19. SITE MANAGEMENT PAYROLL	15,450	19,412	20,915	
20. MANAGEMENT FEE	-	-	-	
21. PROJECT AUDITING EXPENSE	1,600	1,525	1,550	
22. PROJECT BOOKKEEPING/ACCOUNTING	6,575	5,663	6,779	
23. LEGAL EXPENSES	2,400	1,676	2,500	
24. ADVERTISING	956	784	956	
25. TELEPHONE & ANSWERING SERVICE	436	526	650	
26. OFFICE SUPPLIES	580	878	750	
27. OFFICE FURNITURE & EQUIPMENT	1,275	1,545	2,150	
28. TRAINING EXPENSE	516	141	315	
29. HEALTH INS. & OTHER EMP. BENEFITS	6,316	6,062	6,300	
30. PAYROLL TAXES	2,937	3,306	3,544	
31. WORKMAN'S COMPENSATION	570	510	575	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	1,553	1,773	1,200	Rent/Fees/Memb
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	41,164	43,801	48,184	
34. REAL ESTATE TAXES	-	-	-	
35. SPECIAL ASSESSMENTS	-	-	-	
36. OTHER TAXES, LICENSES & PERMITS	-	-	-	
37. PROPERTY & LIABILITY INSURANCE	10,877	10,575	11,000	
38. FIDELITY COVERAGE INSURANCE	-	-	-	
39. OTHER INSURANCE	-	193	-	Business Owners
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	10,877	10,767	11,000	
41. TOTAL O&M EXPENSES (11+18+33+40)	122,553	119,985	122,546	

PART III - ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	223,525	190,445	191,875	
2. TRANSFER TO RESERVE	10,280	10,882	31,800	
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT	-	-	-	
4. BUILDING REPAIR & IMPROVEMENTS	36,764	1,850	27,547	
5. EQUIPMENT REPAIR & REPLACEMENT	-	-	-	
6. OTHER NON-OPERATING EXPENSES	-	-	-	
7. TOTAL (3 thru 6)	36,764	1,850	27,547	
8. ENDING BALANCE [(1+2)-7]	197,041	199,478	196,128	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

23,856

23,087

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

-

-

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

4,616

4,524

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON WAITING LIST

0

NUMBER OF APPLICANTS NEEDING RA

0

RESERVE ACCT. REQ. BALANCE

AMOUNT AHEAD/BEHIND

From part I Cash Balance

32. ACCRUAL TO CASH ADJUSTMENT (See Part III)

FY19 Security Deposit Interest

(3)

(Increase) decrease in accounts receivable

1,692

Accounts Payable

28,738

Total

30,428

PART IV - RENT SCHEDULE

A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE:

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM			UTILITY ALLOWANCE
UNIT	SIZE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
16A	1B	1	909	1,175	-	10,908	14,100	-	49
16B	3B	1	1,402	1,799	-	16,824	21,588	-	69
16C	2B	1	1,188	1,526	-	14,256	18,312	-	45
26A	1B	1	909	1,175	-	10,908	14,100	-	49
26B	3B	1	1,402	1,799	-	16,824	21,588	-	69
26C	2B	1	1,188	1,526	-	14,256	18,312	-	45
52A	2B	1	1,188	1,526	-	14,256	18,312	-	45
52B	3B	1	1,402	1,799	-	16,824	21,588	-	69
52C	1B	1	909	1,175	-	10,908	14,100	-	49
60A	1B	1	909	1,175	-	10,908	14,100	-	49
60B	3B	1	1,402	1,799	-	16,824	21,588	-	69
60C	2B	1	1,188	1,526	-	14,256	18,312	-	45
CURRENT RENT TOTALS:						167,952	216,000	-	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date:07/01/2020

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM			UTILITY ALLOWANCE
UNIT	SIZE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
16A	1B	1	1,059	1,325	-	12,708	15,900	-	49
16B	3B	1	1,552	1,949	-	18,624	23,388	-	69
16C	2B	1	1,338	1,676	-	16,056	20,112	-	45
26A	1B	1	1,059	1,325	-	12,708	15,900	-	49
26B	3B	1	1,552	1,949	-	18,624	23,388	-	69
26C	2B	1	1,338	1,676	-	16,056	20,112	-	45
52A	2B	1	1,338	1,676	-	16,056	20,112	-	45
52B	3B	1	1,552	1,949	-	18,624	23,388	-	69
52C	1B	1	1,059	1,325	-	12,708	15,900	-	49
60A	1B	1	1,059	1,325	-	12,708	15,900	-	49
60B	3B	1	1,552	1,949	-	18,624	23,388	-	69
60C	2B	1	1,338	1,676	-	16,056	20,112	-	45
CURRENT RENT TOTALS:						189,552	237,600	-	
						BASIC	NOTE	HUD	

C. PROPOSED UTILITY ALLOWANCE - Effective Date:07/01/20

MONTHLY DOLLAR ALLOWANCES									
UNIT	SIZE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
16A	1B	1	49						49
16B	3B	1	69						69
16C	2B	1	45						45
26A	1B	1	49						49
26B	3B	1	69						69
26C	2B	1	45						45
52A	2B	1	45						45
52B	3B	1	69						69
52C	1B	1	49						49
60A	1B	1	49						49
60B	3B	1	69						69
60C	2B	1	45						45

PART V - ACTUAL CAPITAL FY 6/30/20

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:							
Range							
Refrigerator		1,030					
Range Hood							
Washers & Dryers							
Other: Wall Oven							
Carpet and Vinyl:							
1 Br.							
2 Br.		3,257					
3 Br.							
4 Br.							
Other		1,050					
Cabinets:							
Kitchens		5,000					
Bathroom							
Other							
Doors:							
Exterior		610					
Interior							
Other:		8,000			6,224		
Window Coverings:							
List							
Other - Awning							
Heating and Air Conditioning:							
Heating							
Air Conditioning							
Other							
Plumbing:							
Water Heater		2,800					
Bath Sinks							
Kitchen Sinks							
Faucets							
Toilets							
Other		2,800					
Major Electrical:							
List : LED /11B							
Paving:							
Asphalt							
Concrete							
Seal and Stripe							
Other		3,000					
Landscape and Grounds:							
Landscaping							
Lawn Equipment							
Fencing							
Recreation Area							
Signs							
Other							
TOTAL CAPITAL EXPENSES:		27,547	-	-	6,224	-	-

PART VI - SIGNATURES, DATES AND COMMENTS

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

(DATE)

(Signature of Borrower or Borrower's Representative)

(Title)

AGENCY APPROVAL (*Rural Development Approval Official*):

DATE:

COMMENTS:

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Development Partnership and Thankful Chase Pathways, LLC
Eastham, Massachusetts

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 consolidated financial statements of Community Development Partnership and Thankful Chase Pathways, LLC (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated 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 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Development Partnership and Thankful Chase Pathways, LLC'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 Community Development Partnership and Thankful Chase Pathways, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Development Partnership and Thankful Chase Pathways, LLC'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 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 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 Community Development Partnership and Thankful Chase Pathways, LLC's consolidated 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 determination of financial statement amounts. 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.

Sanders, Walsh & Eaton, CPAs, LLC

January 15, 2021



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Community Development Partnership and Thankful Chase Pathways, LLC
Eastham, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited Community Development Partnership and Thankful Chase Pathways, LLC'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 Community Development Partnership and Thankful Chase Pathways, LLC's major federal programs for the year ended June 30, 2020. Community Development Partnership and Thankful Chase Pathways, LLC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Development Partnership and Thankful Chase Pathways, LLC'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 Regulation, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 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 Community Development Partnership and Thankful Chase Pathways, LLC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Community Development Partnership and Thankful Chase Pathways, LLC's compliance.

Opinion of Each Major Federal Program

In our opinion, Community Development Partnership and Thankful Chase Pathways, LLC 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 June 30, 2020.

Report on Internal Control Over Compliance

Management of Community Development Partnership and Thankful Chase Pathways, LLC 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 Community Development Partnership and Thankful Chase Pathways, LLC'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 Community Development Partnership and Thankful Chase Pathways, LLC's internal control over compliance.

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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 the 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 the 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.

Sanders, Walsh & Eaton, CPAs, LLC

January 15, 2021