

Community Teamwork, Inc.

Financial Statements

June 30, 2021 and 2020

**Community Teamwork, Inc.**  
**Financial Statements**  
**June 30, 2021 and 2020**

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## Independent Auditor's Report

To the Board of Directors of  
Community Teamwork, Inc.

We have audited the accompanying financial statements of Community Teamwork, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. We have also audited the general purpose consolidated financial statements of Community Teamwork, Inc. and its affiliates as of and for the years ended June 30, 2021 and 2020. Our report on those financial statements dated December 8, 2021 was unqualified.

### ***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 Community Teamwork, Inc. as of June 30, 2021 and 2020, 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 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*, the Housing Programs – DHCD, Supplemental Schedule of Assets, Liabilities and Net Assets, and the Housing Programs – DHCD, Supplemental Schedule of Program Revenues, Expenses and Changes in Net Assets are presented for purposes of additional analysis and are 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 December 8, 2021, on our consideration of Community Teamwork, 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 Community Teamwork, 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 Community Teamwork, Inc.'s internal control over financial reporting and compliance.

*Anstiss & Co., P.C.*

Anstiss & Co., P.C.  
Chelmsford, MA  
December 8, 2021

**Community Teamwork, Inc.**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 18,228,486	\$ 8,434,174
Accounts receivable - net	7,168,079	5,374,135
Due from affiliates - net	1,427,932	1,030,108
Prepaid expenses and other current assets	632,360	426,941
Total current assets	<u>27,456,857</u>	<u>15,265,358</u>
Fixed assets		
Land, building and equipment - net	<u>10,442,613</u>	<u>10,096,618</u>
Other assets		
Funds held in fiscal agency by GLCF	1,012,766	29,734
Notes receivable - net	6,162,632	5,759,388
Beneficial interest in assets held by GLCF	255,112	200,866
Total other assets	<u>7,430,510</u>	<u>5,989,988</u>
Total assets	<u><u>\$ 45,329,980</u></u>	<u><u>\$ 31,351,964</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 1,797,155	\$ 2,475,357
Accrued vacation	1,018,142	1,108,893
Notes payable	416,957	361,709
Advances on contracts	14,880,450	4,202,751
Other current liabilities	1,125,660	1,546,825
Total current liabilities	<u>19,238,364</u>	<u>9,695,535</u>
Long-term liabilities		
HMLP liability to CEDAC	6,815,870	7,439,540
Notes payable	5,167,098	5,148,889
Other long-term liabilities	227,156	387,117
Total long-term liabilities	<u>12,210,124</u>	<u>12,975,546</u>
Total liabilities	<u>31,448,488</u>	<u>22,671,081</u>
Net assets		
Without donor restrictions		
Undesignated net assets	6,702,483	5,460,914
Board-designated net assets	4,906,041	609,917
Total without donor restrictions	<u>11,608,524</u>	<u>6,070,831</u>
With donor restrictions	<u>2,272,968</u>	<u>2,610,052</u>
Total net assets	<u>13,881,492</u>	<u>8,680,883</u>
Total liabilities and net assets	<u><u>\$ 45,329,980</u></u>	<u><u>\$ 31,351,964</u></u>

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

**Community Teamwork, Inc.**  
**Statements of Activities**  
**For the Years Ended June 30, 2021 and 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2021 Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2020 Total</b>
<b>Revenue and Support</b>						
Contract revenue	\$ 124,182,051	\$ -	\$ 124,182,051	\$ 95,724,567	\$ -	\$ 95,724,567
Service fees, grants and contributions	6,946,136	238,353	7,184,489	8,440,321	675,020	9,115,341
Other income	4,424,050	-	4,424,050	276,481	-	276,481
Rental income	159,076	-	159,076	204,184	-	204,184
Local revenue	2,670	-	2,670	11,054	-	11,054
Net assets released from restriction	665,213	(665,213)	-	318,121	(318,121)	-
Total revenue and support	<u>136,379,196</u>	<u>(426,860)</u>	<u>135,952,336</u>	<u>104,974,728</u>	<u>356,899</u>	<u>105,331,627</u>
<b>Expenses</b>						
Program services						
Housing and homeless services	84,435,786	-	84,435,786	58,988,520	-	58,988,520
Child and family services	27,734,054	-	27,734,054	26,857,888	-	26,857,888
Energy and community resources	13,172,883	-	13,172,883	12,384,044	-	12,384,044
Local initiative	798,109	-	798,109	661,044	-	661,044
Total program services	<u>126,140,832</u>	<u>-</u>	<u>126,140,832</u>	<u>98,891,496</u>	<u>-</u>	<u>98,891,496</u>
Supportive services						
Management and general	4,351,445	-	4,351,445	4,725,132	-	4,725,132
Fundraising	184,713	-	184,713	159,469	-	159,469
Total expenses	<u>130,676,990</u>	<u>-</u>	<u>130,676,990</u>	<u>103,776,097</u>	<u>-</u>	<u>103,776,097</u>
<b>Change in Net Assets from Operations</b>						
Before Transfer of Program Assets	5,702,206	(426,860)	5,275,346	1,198,631	356,899	1,555,530
Transfer of Program Assets	(74,737)	-	(74,737)	-	-	-
Change in Net Assets from Operations	<u>5,627,469</u>	<u>(426,860)</u>	<u>5,200,609</u>	<u>1,198,631</u>	<u>356,899</u>	<u>1,555,530</u>
Other Net Asset Transfers	(89,776)	89,776	-	(1,358)	1,358	-
Change in Net Assets	<u>5,537,693</u>	<u>(337,084)</u>	<u>5,200,609</u>	<u>1,197,273</u>	<u>358,257</u>	<u>1,555,530</u>
Net Assets - Beginning of Year	6,070,831	2,610,052	8,680,883	4,873,558	2,251,795	7,125,353
Net Assets - End of Year	<u>\$ 11,608,524</u>	<u>\$ 2,272,968</u>	<u>\$ 13,881,492</u>	<u>\$ 6,070,831</u>	<u>\$ 2,610,052</u>	<u>\$ 8,680,883</u>

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

**Community Teamwork, Inc.**  
**Statements of Functional Expenses**  
**For the Years Ended June 30, 2021 and 2020**

	<b>Housing and Homeless Services</b>	<b>Child, Family and Adolescent Services</b>	<b>Energy and Community Resources</b>	<b>Local Initiative</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2021 Total</b>
Client payments	\$ 70,521,120	\$ 5,850,592	\$ 9,205,312	\$ 11,943	\$ 85,588,967	\$ -	\$ -	\$ 85,588,967
Salaries	5,369,482	13,517,316	2,357,077	413,676	21,657,551	2,372,635	120,406	24,150,592
Taxes and benefits	1,703,629	3,934,635	714,678	109,287	6,462,229	349,332	34,259	6,845,820
Contract services	3,787,080	315,084	200,076	46,076	4,348,316	340,519	6,020	4,694,855
Occupancy	1,396,460	1,650,820	229,604	69,316	3,346,200	191,097	11,628	3,548,925
Other expenses	939,931	1,436,153	166,914	49,635	2,592,633	374,616	8,830	2,976,079
Other administrative expenses	521,878	224,193	186,188	38,830	971,089	514,793	2,500	1,488,382
Depreciation	167,855	645,851	40,713	7,221	861,640	143,120	1,070	1,005,830
Interest expense	28,132	147,980	22,096	-	198,208	35,433	-	233,641
Consultants	219	11,430	50,225	52,125	113,999	29,900	-	143,899
Total expenses	<u>\$ 84,435,786</u>	<u>\$ 27,734,054</u>	<u>\$ 13,172,883</u>	<u>\$ 798,109</u>	<u>\$ 126,140,832</u>	<u>\$ 4,351,445</u>	<u>\$ 184,713</u>	<u>\$ 130,676,990</u>

	<b>Housing and Homeless Services</b>	<b>Child, Family and Adolescent Services</b>	<b>Energy and Community Resources</b>	<b>Local Initiative</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2020 Total</b>
Client payments	\$ 49,179,582	\$ 5,312,661	\$ 8,981,916	\$ 13,035	\$ 63,487,194	\$ -	\$ -	\$ 63,487,194
Salaries	4,345,396	12,519,086	2,038,087	376,366	19,278,935	2,481,878	103,935	21,864,748
Taxes and benefits	1,379,019	3,674,934	607,091	93,267	5,754,311	540,834	31,601	6,326,746
Contract services	2,071,155	710,004	88,375	53,910	2,923,444	271,607	6,911	3,201,962
Occupancy	880,185	1,578,295	149,506	70,945	2,678,931	206,459	5,964	2,891,354
Other expenses	659,134	1,796,055	275,145	16,239	2,746,573	367,931	4,000	3,118,504
Other administrative expenses	281,109	302,156	174,703	24,700	782,668	693,751	6,334	1,482,753
Depreciation	163,495	774,588	40,024	9,486	987,593	124,661	724	1,112,978
Interest expense	29,120	169,026	20,457	-	218,603	34,455	-	253,058
Consultants	325	21,083	8,740	3,096	33,244	3,556	-	36,800
Total expenses	<u>\$ 58,988,520</u>	<u>\$ 26,857,888</u>	<u>\$ 12,384,044</u>	<u>\$ 661,044</u>	<u>\$ 98,891,496</u>	<u>\$ 4,725,132</u>	<u>\$ 159,469</u>	<u>\$ 103,776,097</u>

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

**Community Teamwork, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
<b>Change in Net Assets</b>	\$ 5,200,609	\$ 1,555,530
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non-cash interest expense - 0% Financing	35,433	33,537
Depreciation	1,005,830	1,112,978
Gain on disposal of fixed assets	-	(3,000)
Bad debt expense	2,680	207,460
<i>Changes in Assets and Liabilities</i>		
Increase in accounts receivable	(1,796,624)	(1,080,118)
Increase in due from affiliates	(397,824)	(382,450)
(Increase) decrease in prepaid expenses	(205,419)	58,250
Increase in funds held in fiscal agency by GLCF	(983,032)	(29,734)
Increase in notes receivable	(403,244)	(328,462)
(Increase) decrease in beneficial interest in assets held by GLCF	(54,246)	16,595
(Decrease) increase in accounts payable	(678,202)	859,428
(Decrease) increase in accrued vacation	(90,751)	221,543
Increase in advances on contracts	10,677,699	510,441
(Decrease) increase in HMLP liability to CEDAC	(623,670)	66,533
Decrease in other liabilities	(581,126)	(294,393)
Net Cash Provided by Operating Activities	<u>11,108,113</u>	<u>2,524,138</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets	(1,351,825)	(1,149,609)
Sales of fixed assets	-	3,000
Net Cash Utilized in Investing Activities	<u>(1,351,825)</u>	<u>(1,146,609)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from notes payable	400,000	232,568
Payments on notes payable	(361,976)	(326,762)
Net Cash Provided (Utilized) in Financing Activities	<u>38,024</u>	<u>(94,194)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>9,794,312</u>	<u>1,283,335</u>
<b>Cash and Cash Equivalents - Beginning</b>	<u>8,434,174</u>	<u>7,150,839</u>
<b>Cash and Cash Equivalents - Ending</b>	<u><u>\$ 18,228,486</u></u>	<u><u>\$ 8,434,174</u></u>
<b>Supplemental Data:</b>		
Interest paid	<u>\$ 198,208</u>	<u>\$ 219,521</u>
Cost basis of fully depreciated assets disposed	<u>\$ -</u>	<u>\$ 348,750</u>
Income taxes paid	<u><u>\$ 6,640</u></u>	<u><u>\$ 5,159</u></u>

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

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 1 – Organization**

Community Teamwork, Inc. (the “Organization”) was organized in the Commonwealth of Massachusetts as a not-for-profit organization. The Organization is a catalyst for social change. The Organization leverages the programs, partnerships, and collective voice to reduce poverty and foster equity, respect, and community engagement by creating housing, education, and economic opportunities. The service area of the Organization includes the City of Lowell, Massachusetts and its surrounding communities.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Organization is required to report information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of donor-imposed restrictions as follow:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations are classified as without donor restrictions. Also included in this category, are net assets that are not subjected to donor-imposed stipulations but are designated to be used for a specified purpose by the Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time are classified as net assets with donor restrictions. When a restriction expires, 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.

Also included in this category, are net assets subject to donor restrictions to be maintained in perpetuity as permanent assets of the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specified purposes. For the years ended June 30, 2021 and 2020, the Organization did not have any net assets with donor restrictions to be maintained in perpetuity.

***Reclassifications***

During fiscal year ended June 30, 2021, certain amounts from the prior year financial statements were reclassified to conform to the current year’s presentation.

***Estimates***

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

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Concentration of Credit Risk***

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash, cash equivalents and contract receivables. The Organization maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management considers credit risk to be minimal. Credit risk with receivables is concentrated among Federal and State agencies which comprise substantially all of the receivable balances as of June 30, 2021 and 2020.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash in the Organization's bank accounts and certificates of deposit with maturities of three months or less.

***Accounts Receivable***

Revenue is accounted for at established rates on the accrual basis, less an allowance for contractual, charitable, and other arrangements for services provided at less than established rates. The Organization's policy is to not accrue interest on trade receivables. The Organization records its accounts receivable at the outstanding principal amount less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts based on the history of past write-offs, collections, and current credit conditions. As of June 30, 2021 and 2020, there was an allowance for doubtful accounts of approximately \$90,000.

***Fixed Assets***

The Organization capitalizes major purchases of fixed assets (with a cost of \$5,000 or more), which are not in the nature of replacements or repairs. Minor equipment purchases, replacements, maintenance, and repairs are charged to expense as incurred.

Capitalized assets are recorded at cost if purchased or constructed, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets capitalized.

The Organization reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset. There was no impairment loss recorded during the years ended June 30, 2021 and 2020.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Revenue Recognition***

Certain grants and contracts received from government agencies are cost reimbursement agreements. Accordingly, grant and contract income equals expenses incurred; therefore, the excess (deficit) is carried as a liability (advance on contracts) or as an asset (accounts receivable), respectively. Revenue is recognized from fixed price or unit-based contracts when services have been rendered. The majority of the Organization's revenue is from government contracts that provide for possible review and audit by the contracting agencies. Management has determined that the results of any potential audit would not result in adjustments that would be material to the financial statements.

Contributions are recognized when cash, securities, other assets, or an unconditional promise to give is received. Gifts of assets other than cash are recorded at their estimated fair value on the date of the gift. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Funds received on conditional contributions prior to meeting conditions are reported as refundable advances in the statement of financial position.

Contributions received with donor-imposed restrictions that are met in the same year as the contribution are reported as without donor restrictions.

***Donated Services***

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise.

***Functional Allocation of Expenses***

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement of functional expenses is required to present the natural classification detail of expenses by function allocated on a reasonable basis that is consistently applied. Expenses are allocated among program and supporting services directly based or based on time records and utilization estimates made by management. Management and General expense include those expenses that are not directly identifiable with any other specific function, but provide for overall support and direction of the Organization. These expenses are allocated based on an approved indirect cost rate using a modified direct cost base. Based on management's estimates, certain costs have been allocated among major classes of program services and supporting as appropriate.

***Income Taxes and Uncertain Tax Positions***

The Organization has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3) and is, therefore, generally exempt from federal and state income taxes. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements.

ASC 740-10, "Income Taxes" requires the Organization to evaluate and disclose tax positions that could have an effect on the Organization's financial statements. The Organization reports its activities to the Internal Revenue Service and the Commonwealth of Massachusetts on an annual basis. These informational returns are generally subject to audit and review by the governmental agencies for a period of three years after filing.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Income Taxes and Uncertain Tax Positions (continued)***

Substantially all of the Organization's income, expenditures and activities relate to its exempt purpose, therefore, management has determined that the Organization is not subject to material unrelated business income taxes and will continue to qualify as a tax-exempt not-for-profit entity.

***Adoption of Recent Accounting Pronouncement***

During the year ended June 30, 2021, the Organization adopted ASU 2014-09, "Revenue from Contracts with Customers," amending Financial Accounting Standards Board Accounting Standards Codification (ASC) topic 606. This ASU affects any entity that enters into contracts with customers to transfer goods or services and is intended to enhance the comparability of revenue recognition practices across entities. The new standard requires entities to recognize revenue when the entity has satisfied its performance obligations under contracts with customers in the amount the entity expects to be entitled to in exchange for the goods or services provided. There was no impact on reported amounts for the years ended June 30, 2021 and 2020.

***Recent Accounting Pronouncement***

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, "Leases". ASU 2016-02 includes a lessee accounting model that recognizes two types of leases: finance leases and operating leases. The standard requires that a lessee recognize on the statement of financial position assets and liabilities for leases with lease terms of more than 12 months (leases with terms of less than 12 months are exempt from the new standard). ASU 2016-02 requires qualitative and quantitative disclosures, providing information about the amounts recorded in the financial statements. This standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2021.

The Organization is currently evaluating the effect that this accounting pronouncement will have on the financial statements. There were no other accounting standards recently issued that had or are expected to have a material impact on the Organization's financial statements and associated disclosures.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 3 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without board-designations or donor restrictions limiting their use, within one year of the statement of financial position date were as follows as of June 30, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Financial assets		
Cash and cash equivalents	\$ 18,228,486	\$ 8,434,174
Accounts receivable - net	7,168,079	5,374,135
Due from affiliates - net	1,427,932	1,030,108
Distribution from beneficial interest held by GLCF	34,390	25,111
Total financial assets available for expenditure	<u>\$ 26,858,887</u>	<u>\$ 14,863,528</u>
Less: amounts not available for general expenditure		
Cash - Representative Payee Program	(254,071)	(161,091)
Cash - SBA Microloan Program	(459,265)	(179,171)
Cash - Home Modification Loan Program	(1,160,797)	(2,025,419)
Board-designated funds held for specific purposes	(4,906,041)	(609,917)
Donor-restricted funds held for specific purposes	(616,463)	(975,234)
Total amounts not available for general expenditure	<u>(7,396,637)</u>	<u>(3,950,832)</u>
Total financial assets available for general expenditure within one year	<u><u>\$ 19,462,250</u></u>	<u><u>\$ 10,912,696</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In the event of an unanticipated liquidity need, the Organization also could draw upon \$4,000,000 available under its line of credit.

**Note 4 – Fixed Assets**

Fixed assets consisted of the following as of June 30, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Land	\$ 1,426,523	\$ 1,352,123
Buildings and improvements	15,186,763	14,122,838
Equipment	4,007,998	3,794,498
Total Fixed assets	20,621,284	19,269,459
Less: Accumulated depreciation	<u>(10,178,671)</u>	<u>(9,172,841)</u>
Fixed assets – net	<u><u>\$10,442,613</u></u>	<u><u>\$10,096,618</u></u>

Depreciation expense was \$1,005,830 and \$1,112,978 for the years ended June 30, 2021 and 2020, respectively.

The majority of the Organization's land, buildings and improvements are subject to deed restrictions based on agreements with various government agencies which limit their use to specific programs.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 5 – Notes Receivable**

The Organization has an agreement with the Community Economic Development Assistance Corporation (“CEDAC”) to administer a Home Modification Loan Program (“the Program”) which offers loans to eligible property owners. Under the Program, loans of up to \$50,000 are made to finance modifications to homes to provide for the needs of elders or persons with disabilities. The loans are secured by mortgages on the borrowers’ homes and are interest-free, with repayment required when the property is sold or the title is transferred.

The outstanding balance of the HMLP loan pool as of June 30, 2021 and 2020 was \$5,655,073 and \$5,414,121, respectively. There is no allowance for uncollectible loans as the risk of loss on the uncollectible loan amounts is with the funding source (CEDAC).

Proceeds from the repayment of loans will be used to make new loans under the program. Upon termination of the program, all assets of the HMLP Program are to be returned to CEDAC.

As of June 30, 2021 and 2020, the HMLP liability to CEDAC was as follows:

	<b>2021</b>	<b>2020</b>
HMLP restricted cash	\$ 1,160,797	\$ 2,025,419
HMLP loans receivable	5,655,073	5,414,121
HMLP liability to CEDAC	<u>\$ 6,815,870</u>	<u>\$ 7,439,540</u>

**Note 6 – Beneficial Interest in Assets Held by GLCF**

In 2000, the Organization’s Board of Directors established an irrevocable agency endowment fund for its benefit at Greater Lowell Community Foundation (“GLCF”). The fund agreement grants a variance power to the GLCF that allows for the modification of the agreement by GLCF in certain limited circumstances. The purpose of the fund is to provide the Organization with an annual distribution of support without donor restrictions in accordance with a spending policy adopted by the Community Foundation's board. The current spending policy allows for an annual distribution of 5% of the average value of the fund. Through June 30, 2021, the Organization has transferred \$145,805 to the GLCF and has received distributions of \$61,903. There was no contribution made to the fund during the years ended June 30, 2021 and 2020. There was \$30,000 distributed from the fund during the year ended June 30, 2020. There was no distribution made from the fund during the year ended June 30, 2021. In accordance with ASC 958-605, “*Transfers of Assets to a Not-for Profit Organization or Charitable Trust That Raises or Holds Contributions for Others,*” the fund has been reported as an asset of the Organization.

As of June 30, 2021 and 2020, the Organization’s beneficial interest in the funds held by GLCF was \$255,112 and \$200,866, respectively. Net gains attributed to the fund (including realized and unrealized gains and losses, interest and dividend income and administration fees) amounting to \$54,246 and \$13,405 for the years ending June 30, 2021 and 2020, respectively, have been included in the statements of activities.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 7 – Capital Lease Obligations**

The Organization leases buses under multiple capital lease agreements. The buses have been recorded at an estimated fair value of \$1,505,587 as of June 30, 2021 and 2020, and are being depreciated over their estimated useful lives of 5 years. As of June 30, 2021 and 2020, accumulated depreciation on the buses was \$1,153,833 and \$952,454, respectively.

As of June 30, 2021 and 2020, the current and long-term portions of the capital lease liabilities were as follows:

	<u>2021</u>	<u>2020</u>
Current portion of capital lease liabilities	\$ 162,863	\$ 193,986
Long-term portion of capital lease liabilities	<u>227,156</u>	<u>387,117</u>
Total capital lease liabilities	<u>\$ 390,019</u>	<u>\$ 581,103</u>

As of June 30, 2021, the Organization had future minimum capital lease commitments as follows with imputed interest rates ranging from 4.56% to 5.25%:

	<u>Total Payment</u>	<u>Imputed Interest</u>	<u>Lease Liability</u>
2022	\$ 178,769	\$ 15,906	\$ 162,863
2023	\$ 144,302	\$ 8,137	\$ 136,165
2024	\$ 81,326	\$ 2,789	\$ 78,537
2025	\$ 13,190	\$ 736	\$ 12,454

**Note 8 – Line of Credit**

The Organization maintained a line of credit at Enterprise Bank and Trust Company in the amount of \$4,000,000 for each of the years ended June 30, 2021 and 2020. The interest rate applied to the outstanding principal balance is 1% above the prime rate (4.25% at each of the year ended on June 30, 2021 and 2020). The line is collateralized by substantially all of the Organization's assets, except real property. There was no outstanding balance on the line as of June 30, 2021 and 2020.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 9 – Notes Payable**

	<u>2021</u>	<u>2020</u>
Notes payable to Enterprise Bank & Trust Company in the original principal amounts of \$210,000, \$1,810,750, up to \$880,000, \$1,700,000, \$940,000, \$30,500, \$37,105, and \$32,568. The first note is payable in 300 monthly installments at an interest rate of 3.42%. The second note is payable in 300 monthly installments at an interest rate of 2.68%. The third note is payable in 306 monthly installments at an interest rate of 5.31%. The fourth note is payable in 120 monthly installments at an interest rate of 4.25%. The fifth note is payable in 252 monthly installments at an interest rate of 3.02%. The sixth note is payable in 60 monthly installments at an interest rate of 4.75%. The seventh note is payable in 60 monthly installments at an interest rate of 4.95%. The eighth note is payable in 60 monthly installments at an interest rate of 4.6%. All eight notes are secured by the related properties.	\$ 2,558,212	\$ 2,819,672
Note payable to Lowell Five Cent Savings Bank in the original principal amount of \$1,487,500. The note is payable in 360 monthly installments at an interest rate of 4.15% and is secured by the related property.	1,367,441	1,396,597
Notes payable to Community Economic Development Assistance Corporation in the original principal amount of \$249,222 (Note A), \$700,000 (Note B), \$1,000,000 (Note C), and \$250,000 (Note D). The notes are interest-free and mature on June 2, 2035, January 22, 2042, and September 30, 2046 (for both Note C and D), respectively. Note A has been reduced by \$140,866, Note B has been reduced by \$495,540, and Note C and D have been reduced by \$895,389 to reflect the present value of the notes utilizing a 6%, 6%, and 5% interest rate, respectively. The notes are secured by the related properties.		
Total at face value	2,199,222	2,199,222
Less: deferred interest expense	<u>(1,531,795)</u>	<u>(1,567,227)</u>
Total - net of deferred interest expense	667,427	631,995

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 9 – Notes Payable (continued)**

	<u>2021</u>	<u>2020</u>
Notes payable to the Small Business Administration to fund a microloan program in the original principal amounts of up to \$1,000,000. The notes provide for interest rates of up to 1.625% depending on the average size of the microloans made through the program, subject to an annual recalculation. No payments were due during the first year, with the balance of the first note payable in 108 monthly installments, the balance of the second note payable in 98 monthly installments, the balance of the third note payable in 108 monthly installments, and the balance of the fourth note payable in 108 monthly installments.	723,628	388,529
Notes payable to Lowell Development and Financial Corporation in the original principal amounts of \$50,000 and \$250,000. The first is a demand note payable at an interest rate of 5%, however, unless demand is made, the note is payable in 300 monthly installments. The second is a commercial note payable in 360 monthly installments at an interest rate of 5%. Both notes are secured by the related properties.	<u>267,347</u>	<u>273,805</u>
Total Notes Payable	5,584,055	5,510,598
Less: Current Portion of Notes Payable	<u>(416,957)</u>	<u>(361,709)</u>
Long-Term Portion of Notes Payable	<u>\$ 5,167,098</u>	<u>\$ 5,148,889</u>

The future minimum payments on notes payable at June 30<sup>th</sup> are as follows:

2022	\$ 416,957
2023	426,474
2024	416,207
2025	414,257
2026	334,065
Thereafter	<u>5,107,890</u>
Total	7,115,850
Less: Deferred Interest Expense	<u>(1,531,795)</u>
Total – Net of Deferred Interest Expense	<u>\$ 5,584,055</u>

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 10 – Board-Designated Net Assets**

Board-designated net assets consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Purchase and renovation of properties by CTI, and predevelopment costs for Common Ground Development Corporation projects	\$ 4,458,243	\$ 196,000
Property Maintenance Reserves:		
360 Pawtucket Street	72,229	72,229
Princeton Boulevard	50,000	-
Merrimack Street	48,629	48,629
536-524 Pawtucket Street	44,617	44,617
Kirk Street	43,889	33,442
IT Reserve	188,434	215,000
Total board-designated net assets	<u>\$ 4,906,041</u>	<u>\$ 609,917</u>

**Note 11 – Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest-free debt	\$ 1,531,795	\$ 1,567,227
HomeBase Program	287,601	287,702
COVID-19	187,924	246,635
Microloan Program	162,519	72,743
Time Restriction	50,000	-
Homeless Youth Program	44,840	-
YouthBuild Culinary Program	8,289	40,694
167 Dutton Street renovation	-	395,051
Total net assets with donor restrictions	<u>\$ 2,272,968</u>	<u>\$ 2,610,052</u>

Additional loans made through the Microloan Program are reported as Other Net Asset Transfers on the Statement of Activities.

**Note 12 – Contract Revenue and Client Payments**

The Department of Public Health administers the Special Supplemental Food Program for Women, Infants, and Children (“WIC”). For the years ended June 30, 2021 and 2020, the value of food vouchers provided to WIC recipients was recorded as contract revenue and client payments at amounts of \$1,877,954 and \$2,086,078.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 13 – Rental Income**

The Organization leases space to persons of low income and non-profit organizations under operating leases. Rental income for the years ended June 30, 2021 and 2020 was \$159,076 and \$204,184, respectively.

As of June 30, 2021, minimum future rentals on non-cancelable operating leases are as follows:

2022	\$ 137,014
2023	\$ 140,439
2024	\$ 143,950
2025	\$ 147,549
2026	\$ 151,238

**Note 14 – Leases**

The Organization leases equipment and various facilities throughout the greater Lowell area under both short-term and long-term operating leases. Rent expense under all leases amounted to \$1,574,100 and \$1,294,634 for the years ended June 30, 2021 and 2020, respectively.

As of June 30, 2021, the Organization had minimum operating lease commitments as follows:

2022	\$ 1,422,400
2023	\$ 1,356,039
2024	\$ 1,348,122
2025	\$ 1,330,286
2026	\$ 879,153
Thereafter	\$ 2,555,812

**Note 15 – Retirement Plan**

The Organization provides retirement benefits for its employees through the Community Teamwork, Inc. Retirement Plan. The plan provides for employer contributions 5% of annual compensation. Employees are eligible to receive contributions after six months of service with a vesting schedule graduated from one to three years of service. Retirement expense was \$1,051,963 and \$901,493 for the years ended June 30, 2021 and 2020, respectively.

**Note 16 – Interest Expense**

The Organization follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. Total interest incurred and charged to operations was \$233,641 and \$253,058 during the years ended June 30, 2021 and 2020, respectively. No interest was capitalized during either of the years ended June 30, 2021 and 2020.

**Note 17 – Transfer of Program Assets**

During the year ended June 30, 2021, the Organization ended its fiscal sponsorship of The African Community Center of Lowell (ACCL) and transferred the remaining funds in the amount of \$74,737 to the ACCL.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 18 – Commitments and Contingencies**

From time to time, the Organization may become involved in litigation relating to claims arising out of operations in the normal course of business, which are considered routine and incidental to the business. The Organization is currently not a party to any legal proceedings which, in management's opinion, would have a material adverse effect on its financial condition.

The Organization is a guarantor on a line of credit and various notes payable held by Common Ground Development Corporation ("CGDC"), and its affiliated organizations. The balance due on these debt obligations was \$7,211,891 and \$7,026,277 as of June 30, 2021 and 2020, respectively.

The Organization is also the guarantor on various agreements of the Towne School Limited Partnership ("TSLP") and SB2 Housing Limited Partnership ("SB2") (affiliates of CGDC) housing projects sponsored by the Organization and CGDC, such as cost overrun obligations, adjuster distributions, recapture distributions, recapture payments, operating deficit capital contributions, and unauthorized withdrawal liability payments. The Organization does not expect to perform under the guarantees as CGDC, TSLP and SB2 have met all related obligations as of June 30, 2021.

The Organization receives funding from various governmental agencies that is subject to review and audit by the funding agency. The Organization does not expect that the results of any such audit, if it were to incur, would result in any material adjustment to revenue received.

As of December 8, 2021, the Organization continues to be impacted by COVID-19, which was characterized as a pandemic by the World Health Organization on March 11, 2020. Multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time.

The extent of the impact of the COVID-19 pandemic on Organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak. Changes to the operating environment may increase operating costs. Future potential impacts may include disruptions or restrictions on employees' ability to work, decreases in funding from government contracts, or tenants' ability to pay rent. The future effects of these issues are unknown.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 19 – Related Party Transactions**

The Organization engages in transactions with affiliated organizations whose Boards of Directors are comprised mainly of the Organization's officers, directors, and employees.

One member of the Board of Directors is employed by a financial institution where the Organization maintains a banking relationship. Another member of the Board of Directors is employed by an entity to which the Organization has a note payable.

The Organization's Chief Executive Officer and two members of the Organization's Board of Directors serve as members of the Board of Directors of the Greater Lowell Community Foundation, where the Organization has established an irrevocable agency endowment fund for its benefit.

The Organization leases a building located at 167 Dutton St. in Lowell, MA from Mechanics Hall Corporation ("MHC"). Rent expense under this lease was \$77,688 for each of the years ended June 30, 2021 and 2020, respectively. MHC incurred management fees totaling \$21,091 and \$10,963 during the years ended June 30, 2021 and 2020, respectively, for other expenses, and the payroll related expenses of the Organization's employees who performed services on behalf of MHC. As of June 30, 2021 and 2020, MHC's liability to the Organization was \$589,223 and \$444,626, respectively.

The Organization provides management services to Merrimack Valley Housing Services, Inc. ("MVHS"). MVHS incurred reimbursable expenses totaling \$23,393 and \$22,106 during the years ended June 30, 2021 and 2020, respectively for the payroll and related expenses of CTI's employees who performed services on behalf of MVHS. During the years ended June 30, 2021 and 2020, MVHS made distributions to the Organization in the amount of \$4,318,951 and \$196,000, respectively. As of June 30, 2021 and 2020, the MVHS's liability to CTI was \$4,139 and \$1,909, respectively.

The Organization advances funds to Community Housing, Inc. ("CHI") to pay for operating expenses and administrative support. The Organization incurred reimbursable expenses totaling \$35,179 and \$38,175 during the years ended June 30, 2021 and 2020, respectively, for the payroll and related expenses of the Organization's employees who performed services on behalf of CHI. As of June 30, 2021 and 2020, the Organization's accounts receivable included amounts due from CHI of \$6,252 and \$38,225, respectively.

The Organization advances funds to Common Ground Development Corporation ("CGDC") to pay for predevelopment costs, operating expenses, and administrative support. The Organization incurred reimbursable expenses totaling \$55,749 and \$283,695 during the years ended June 30, 2021 and 2020, respectively, for services performed by the Organization on behalf of CGDC. During the year ended June 30, 2021, the Organization made an in-kind contribution of \$215,234 for the payroll and related expenses of the Organization's employees who performed services on behalf of CGDC. As of June 30, 2021 and 2020, the Organization's accounts receivable included amounts due from CGDC of \$828,100 and \$543,732, respectively. During the year ended June 30, 2020, CTI forgave \$200,000 of receivables due from CGDC. There was no such forgiveness for the year ended June 30, 2021.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Note 19 – Related Party Transactions (continued)**

StonyBrook I Housing Services, Inc. (SB1) is an affiliated organization of Common Ground Development Corporation. During the years ended June 30, 2021 and 2020, SB1 incurred expenses totaling \$2,663 and \$2,762, respectively for the payroll and related expenses of CTI employees who performed services on behalf of the Organization. As of June 30, 2021 and 2020, the Organization's account receivable included amounts due from SB1 of \$218 and \$221, respectively.

**Note 20 – Subsequent Events**

ASC 855-10, "Subsequent Events" defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with ASC 855-10, the Organization's management has evaluated events subsequent from June 30, 2021 through December 8, 2021, which is the date the financial statements were available to be issued.

There has been no material event noted during this period that would either impact the results reflected in this report or the Organization's results going forward.

**Community Teamwork, Inc**  
**Housing Programs - DHCD**  
**Supplemental Schedule of Assets, Liabilities and Net Assets**  
**June 30, 2021**

	<b>Federal Voucher</b>	<b>MRVP</b>	<b>Moderate Rehab</b>	<b>AHVP</b>	<b>FSS</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 5,836,898	\$ 1,045,248	\$ 251,479	\$ 43,397	\$ 29,718	\$ 7,206,740
Accounts receivable	41,055	-	-	-	-	41,055
Prepaid expenses	415	-	-	-	-	415
<b>Total assets</b>	<u>\$ 5,878,368</u>	<u>\$ 1,045,248</u>	<u>\$ 251,479</u>	<u>\$ 43,397</u>	<u>\$ 29,718</u>	<u>\$ 7,248,210</u>
<b>Liabilities and Net Assets</b>						
Accounts payable and other liabilities	\$ 134,012	\$ -	\$ 902	\$ -	\$ 33,664	\$ 168,578
Advances on contracts	2,988,675	778,885	6,548	10,400	446	3,784,954
Total liabilities	3,122,687	778,885	7,450	10,400	34,110	3,953,532
Net assets	2,755,681	266,363	244,029	32,997	(4,392)	3,294,678
<b>Total liabilities and net assets</b>	<u>\$ 5,878,368</u>	<u>\$ 1,045,248</u>	<u>\$ 251,479</u>	<u>\$ 43,397</u>	<u>\$ 29,718</u>	<u>\$ 7,248,210</u>

**Community Teamwork, Inc**  
**Housing Programs - DHCD**  
**Supplemental Schedule of Program Revenues, Expenses and Change in Net Assets**  
**June 30, 2021**

	<b>Federal Voucher</b>	<b>MRVP</b>	<b>Moderate Rehab</b>	<b>AHVP</b>	<b>FSS</b>	<b>Total</b>
<b>Revenues</b>						
Federal HAP	\$ 31,668,271	\$ -	\$ 121,245	\$ -	\$ -	\$ 31,789,516
DHCD HAP	-	8,628,215	-	139,250	-	8,767,465
Federal admin	2,518,859	-	33,814	-	192,785	2,745,458
DHCD admin	-	434,705	-	5,363	-	440,068
FSS escrow	130,954	-	-	-	-	130,954
Subcontract revenue	-	303,269	-	-	-	303,269
<b>Total revenues</b>	<u>\$ 34,318,084</u>	<u>\$ 9,366,189</u>	<u>\$ 155,059</u>	<u>\$ 144,613</u>	<u>\$ 192,785</u>	<u>\$ 44,176,730</u>
<b>Expenses</b>						
Housing payments	\$ 31,668,271	\$ 8,934,630	\$ 121,245	\$ 139,250	\$ -	\$ 40,863,396
FSS escrow	130,954	-	-	-	-	130,954
Salaries	1,144,552	257,331	8,741	5,391	115,841	1,531,856
Taxes and fringe	425,361	92,786	2,965	1,943	41,385	564,440
Administrative Support	99,549	9,875	-	-	2,133	111,557
Indirect	207,241	46,780	1,405	880	19,331	275,637
Occupancy	205,212	13,174	-	-	14,095	232,481
Program support	66,500	28,223	-	-	-	94,723
<b>Total expenses</b>	<u>33,947,640</u>	<u>9,382,799</u>	<u>134,356</u>	<u>147,464</u>	<u>192,785</u>	<u>43,805,044</u>
<b>Change in net assets</b>	<u>\$ 370,444</u>	<u>\$ (16,610)</u>	<u>\$ 20,703</u>	<u>\$ (2,851)</u>	<u>\$ -</u>	<u>\$ 371,686</u>

**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  
Community Teamwork, 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 Community Teamwork, Inc. (a non-profit organization), which comprise the statement of financial position as of June 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, and have issued our report thereon dated December 8, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Teamwork, 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 Community Teamwork, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Teamwork, 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 Community Teamwork, 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 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.

*Anstiss & Co., P.C.*

Anstiss & Co., P.C.  
Chelmsford, MA  
December 8, 2021

## **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  
Community Teamwork, Inc.

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

We have audited Community Teamwork, 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 Community Teamwork, Inc.'s major federal programs for the year ended June 30, 2021. Community Teamwork, Inc.'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 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 Community Teamwork, 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; 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 Community Teamwork, Inc.'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 of Community Teamwork, Inc.'s compliance.

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

In our opinion, Community Teamwork, 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 June 30, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003. Our opinion on each major federal program is not modified with respect to these matters.

Community Teamwork, Inc.'s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Teamwork, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

Management of Community Teamwork, 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 Community Teamwork, 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 Community Teamwork, 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 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003 that we consider to be significant deficiencies.

Community Teamwork, Inc.'s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Teamwork, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Anstiss & Co., P.C.*

Anstiss & Co., P.C.  
Chelmsford, MA  
December 8, 2021

**Community Teamwork, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes    ✓ no
- Significant deficiency(ies) identified? \_\_\_ yes    ✓ none reported
- Noncompliance material to financial statements noted? \_\_\_ yes    ✓ none reported

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ yes    ✓ no
- Significant deficiency(ies) identified? ✓ yes    \_\_\_ none reported

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

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a)? ✓ yes    \_\_\_ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.881	Moving to Work Demonstration Program
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance Program

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

\$2,730,621

Auditee qualified as low-risk auditee? ✓ yes    \_\_\_ no

**Section II – Financial Statement Findings**

No matters were reported.

**Community Teamwork, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021**

**Section III – Federal Award Findings and Questioned Costs**

	<b>Questioned Costs</b>
U.S Department of Housing and Urban Development, passed through Massachusetts Department of Housing and Community Development Moving to Work Demonstration Program - CFDA No. 14.881; Grant period - Year ended June 30, 2021 Significant Deficiency	
2021-001 <i>Condition and Criteria:</i> Housing assistance and tenant payments for three of the 40 client files selected for testing were calculated incorrectly due to errors in the amounts used for social security benefits or utility allowance. In addition, four of the 40 clients selected for testing had an incorrect asset value used in the calculation, but this did not result in an incorrect housing assistance or tenant payment. Also, four of the 40 files selected for testing were missing required documentation such as a photo identification (2), Criminal Offender Record Information (CORI) acknowledgement form (1), and occupancy permit (1). Organizations operating the Moving to Work (MTW) Demonstration Program are required to maintain sufficient internal controls to ensure compliance with allowable cost compliance requirements.	
<i>Context:</i> A sample of 40 clients with monthly housing assistance payments totaling \$41,083 were selected for testing for the year. The testing found three files with incorrect monthly housing assistance and tenant payment amounts totaling \$45.	\$45
<i>Effect:</i> The housing assistance payments and tenant payments noted above were not calculated correctly in accordance with program regulations.	
<i>Cause:</i> Community Teamwork, Inc.'s internal controls were not operating effectively to prevent or detect improper calculation of housing assistance payments and tenant payments.	
<i>Auditor's Recommendation:</i> Community Teamwork, Inc. implement staff training and additional internal control procedures to ensure that housing assistance payments and tenant payments are calculated correctly in accordance with program regulations.	

**Community Teamwork, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021**

**Section III – Federal Award Findings and Questioned Costs (continued)**

	<b>Questioned Costs</b>
U.S Department of Housing and Urban Development, passed through Massachusetts Department of Housing and Community Development Moving to Work Demonstration Program - CFDA No. 14.881; Grant period - Year ended June 30, 2021 Significant Deficiency (continued)	
2021-001 <i>Views of Responsible Officials and Planned Corrective Action:</i> Community Teamwork, Inc. agrees with this finding and has implemented a weekly training workshop with all HVC staff beginning in June 2021. Also, beginning October 1, 2021, CTI has started conducting an internal quality control review of four files per staff each month. If staff are below DHCD benchmarks according the QC policy those staff will be put on a performance action plan and subject to additional training and file reviews. CTI will also be sending staff to Nan McKay HCV Specialist training in December 2021, and are currently working on an onboarding training manual with an estimated completion date of April 2022. In addition, CTI will be consulting with Edgemere, a local HCV compliance firm, to develop online training modules that staff can attend as needed based on performance needs and training expectations.	

**Community Teamwork, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021**

**Section III – Federal Award Findings and Questioned Costs (continued)**

	<b>Questioned Costs</b>
U.S Department of Housing and Urban Development, passed through Massachusetts Department of Housing and Community Development Moving to Work Demonstration Program - CFDA No. 14.881; Grant period - Year ended June 30, 2021 Significant Deficiency	
2021-002 <i>Condition and Criteria:</i> One of the 40 client files selected for testing did not contain a self-certification of no life-threatening deficiencies. Organizations operating the Moving to Work (MTW) Demonstration Program are required to maintain sufficient internal controls to ensure compliance with housing quality standards.	
<i>Effect:</i> Community Teamwork, Inc is unable to verify whether the client is living in a home with life-threatening deficiencies.	N/A
<i>Cause:</i> Community Teamwork, Inc.'s internal controls were not operating effectively to prevent or detect that required documentation was missing from the file.	
<i>Auditor's Recommendation:</i> Community Teamwork, Inc. put effective controls in place to ensure all required documentation are being maintained in the files in accordance with the applicable Federal requirements.	
<i>Views of Responsible Officials and Planned Corrective Action:</i> Community Teamwork, Inc. agrees with this finding and has implemented a weekly training workshop with all HVC staff beginning in June 2021. Also, beginning October 1, 2021, CTI has started conducting an internal quality control review of four files per staff each month. If staff are below DHCD benchmarks according the QC policy those staff will be put on a performance action plan and subject to additional training and file reviews. CTI will also be sending staff to Nan McKay HCV Specialist training in December 2021, and are currently working on an onboarding training manual with an estimated completion date of April 2022. In addition, CTI will be consulting with Edgemere, a local HCV compliance firm, to develop online training modules that staff can attend as needed based on performance needs and training expectations.	

**Community Teamwork, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021**

**Section III – Federal Award Findings and Questioned Costs (continued)**

	<b>Questioned Costs</b>
Department of the Treasury, passed through Massachusetts Department of Housing and Community Development	
Emergency Rental Assistance Program (ERAP) - CFDA No. 21.023;	
Grant period - Year ended June 30, 2021	
Significant Deficiency	
2021-003 <i>Condition and Criteria:</i> Eligibility determinations for two of the ten client files selected for testing for COVID Residential Assistance for Families in Transition (RAFT) funds contained a response of “No” in the section of the application which asks whether the applicant is “applying for emergency housing assistance because of a housing situation that was caused or made worse by the COVID-19 pandemic and economic crisis.” Organizations operating the Emergency Rental Assistance Program are required to maintain sufficient internal controls to ensure compliance with eligibility requirements.	
<i>Context:</i> A sample of 10 clients with total assistance payment of \$52,267 were selected for testing for the year. The testing found two files that are ineligible for COVID RAFT funding totaling \$9,760.	\$9,760
<i>Effect:</i> The clients noted above were not eligible for COVID RAFT housing assistance in accordance with program regulations.	
<i>Cause:</i> Community Teamwork, Inc.’s internal controls were not operating effectively to prevent or detect ineligible applicants from receiving benefits.	
<i>Auditor’s Recommendation:</i> Community Teamwork, Inc. implement staff training and additional internal control procedures to ensure that eligibility determinations re made in accordance with program regulations.	

**Community Teamwork, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021**

**Section III – Federal Award Findings and Questioned Costs (continued)**

	<b>Questioned Costs</b>
Department of the Treasury, passed through Massachusetts Department of Housing and Community Development	
Emergency Rental Assistance Program (ERAP) - CFDA No. 21.023;	
Grant period - Year ended June 30, 2021	
Significant Deficiency (continued)	
2021-003 <i>Views of Responsible Officials and Planned Corrective Action:</i> Community Teamwork, Inc. agrees with this finding and has implemented a weekly training workshop with all HCEC staff beginning in June 2021. Also, beginning October 1, 2021, CTI has started conducting an internal quality control review of four files per staff each month. CTI staff will participate in RAFT/ERAP weekly compliance trainings that are facilitated by Nan McKay in December 2021, and are currently working on an onboarding training manual with an estimated completion date of April 2022. Lastly, the HCEC department will post and hire a Quality Assurance and compliance manager role, who will enhance compliance systems and take over weekly compliance review of files.	

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Housing Voucher Cluster				
Mainstream Vouchers	14.879	MA882DV		<u>\$ 725,276</u>
<u>Pass-through -- City of Lowell</u>				
Community Development Block Grant/Entitlement Grants	14.218	21102079		<u>15,000</u>
Emergency Shelter Grants Program	14.231	OCD800016FMESG622121		<u>132,970</u>
<u>Pass-through -- Commonwealth of Massachusetts</u>				
Supportive Housing for Persons with Disabilities (Section 811)	14.181	SCOCD264221869017MS5		<u>117,810</u>
Continuum of Care Program	14.267	MA0606L1T081801		193,882
		MA0683L1T161900		29,752
		OCD810018FGBSGRANT10		55,345
		OCD810019FNSTGRANT10		126,879
Total Continuum of Care Program				<u>405,858</u>
Lower Income Housing Assistance Program - Section 8				
Moderate Rehabilitation	14.856	SCOCD264021869019MRB		<u>155,059</u>
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	SCOCD264021869014HCV		<u>1,516,918</u>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development (continued)</b>				
<u>Pass-through -- Commonwealth of Massachusetts (continued)</u>				
Family Unification Program	14.880	SCOCD264121869016FUP		511,922
* Moving to Work Demonstration Program	14.881	SCOCD264521869015MTW		31,974,392
		SCOCD264521869015SNO		197,042
Total Moving to Work Demonstration Program				32,171,434
Financial Self Sufficiency Program	14.896	SCOCD264021869021FSS		192,785
		SCOCD264521869015HME		31,320
				224,105
<u>Pass-through -- Justice Resource Institute</u>				
Housing Opportunities for Persons with AIDS	14.241	MA-H160011		166,303
		MA-H190018		206,359
Total Housing Opportunities for Persons with AIDS				372,662
Total U.S. Department of Housing and Urban Development				36,349,014
<b>U.S. Department of the Treasury</b>				
<u>Pass-through -- Massachusetts Association for Community Action, Inc.</u>				
Volunteer Income Tax Assistance (VITA)				
Matching Grant Program	21.009			6,169
				3,254
				16,932
Total Volunteer Income Tax Assistance Matching Grant Program				26,355

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of the Treasury (continued)</b>				
<u>Pass-through -- Commonwealth of Massachusetts</u>				
* COVID-19 - Coronavirus Relief Fund	21.019	2021FLEXPOOLINCOMEEL OCD8000ESGCV2021F000 POOCD44002157LIHPCAR SCOCD26452186MTWERMA SCOCD42002057CARES10		997,879 335,859 1,336,289 369,151 165,724 395,150
Total Coronavirus Relief Fund				<u>3,600,052</u>
* COVID-19 - Emergency Rental Assistance Program (ERAP)	21.023	OCD2650HSLERAFT21000		<u>21,830,758</u>
Pass through -- City of Lowell				
* COVID-19 - Coronavirus Relief Fund	21.019	21102186 21102187 21102188 21105825		37,545 43,232 92,645 134,912
Total Coronavirus Relief Fund				<u>308,334</u>
Total U.S. Department of the Treasury				<u>25,765,499</u>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>				
Head Start	93.600	01CH01184701		5,850,507
		01CH10243-05		1,899,784
		01HP000155-02		573,630
				<u>8,323,921</u>
COVID-19 - Head Start	93.600	01CH01024305C3		478,683
		01HE000384-01-00		189,912
		01HP00015502C3		20,037
				<u>688,632</u>
Total Head Start				<u>9,012,553</u>
<u>Pass-through -- Commonwealth of Massachusetts</u>				
Low-Income Home Energy Assistance	93.568	POOCD44002057LIHP200		868,816
		POOCD44002159LIHP210		4,686,527
		SCOCD44002057HW08000		146,711
		SCOCD44002159HW08000		456,444
Total Low-Income Home Energy Assistance				<u>6,158,498</u>
Community Services Block Grant	93.569	SCOCD42002060BG11000		133,150
		SCOCD42002160BG11000		423,302
Total Community Services Block Grant				<u>556,452</u>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued)</b>				
<u>Pass-through -- Commonwealth of Massachusetts (continued)</u>				
Temporary Assistance for Needy Families	93.558	2021FLEXPOOLINCOMEEL		502,320
		2021PRIORPORSUPPMA01		294,750
		2021TEENCONTFLEXPOOL		723
		300010COMMUNITYT08IE		1,924,326
		3100COMMUNITYTEAPPSP		279,021
		3200COMMUNITYTEAPPTN		62,995
		3300COMMUNITYTEAPPHL		152,130
		400010COMMUNITYT11IE		461,397
		4100COMMUNITYTEAPPSP		25,220
Total Temporary Assistance for Needy Families				<u>3,702,882</u>
CCDF Cluster				
Child Care Development Block Grant	93.575	2021FLEXPOOLINCOMEEL		217,206
		2021PRIORPORSUPPMA01		944,987
		2021TEENCONTFLEXPOOL		313
		300010COMMUNITYT08IE		832,016
		3100COMMUNITYTEAPPSP		778,425
		3200COMMUNITYTEAPPTN		26,838
		3300COMMUNITYTEAPPHL		65,679
		400010COMMUNITYT11IE		199,492
		4100COMMUNITYTEAPPSP		71,990
Total Child Care Development Block Grant				<u>3,136,946</u>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued)</b>				
<u>Pass-through -- Commonwealth of Massachusetts (continued)</u>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2021FLEXPOOLINCOMEEL 2021PRIORPORSUPPMA01 2021TEENCONTFLEXPOOL 300010COMMUNITYT08IE 3100COMMUNITYTEAPPSP 3200COMMUNITYTEAPPTN 3300COMMUNITYTEAPPHL 400010COMMUNITYT11IE 4100COMMUNITYTEAPPSP		30,282 481,335 44 116,009 455,647 3,798 9,171 27,816 41,183
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund				<u>1,165,285</u>
Total CCDF Cluster				<u>4,302,231</u>
Total U.S. Department of Health and Human Services				<u>23,732,616</u>
<b>U.S. Department of Agriculture</b>				
<u>Pass-through -- Commonwealth of Massachusetts</u>				
National School Lunch Program	10.555	SCDOE21758G70532112B SCDOE21758N70572112B		335,094 83,784
Total National School Lunch Program				<u>418,878</u>
Special Supplemental Nutrition Program for Women, Infants, and Children (Note 3)	10.557	INTF3502M03162726100 INTF3500000GAER15160		1,155,082 1,877,954
Total Women, Infants, and Children				<u>3,033,036</u>
Total U.S. Department of Agriculture				<u>3,451,914</u>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Education</b>				
<u>Pass-through -- City of Lowell</u>				
Community Compass Technical Assistance and Capacity Building	14.259	19-585		50,259
Fund for the Improvement of Education	84.215	20002903-00		8,865
Preschool Development Grants	84.419	21101581		186,186
Total Department of Education				245,310
<b>Corporation for National and Community Service</b>				
Retired and Senior Volunteer Program	94.002	20SRAMA004		53,702
Foster Grandparent / Senior Companion Cluster				
Foster Grandparent Program	94.011	19SFAMA002		215,846
Senior Companion Program	94.016	19SCAMA001		312,815
Total Foster Grandparent/Senior Companion Cluster				528,661
<u>Pass-through -- Youthbuild U.S.A.</u>				
Americorps	94.006	19NDHMA0030038		127,443
Total Corporation for National and Community Service				709,806

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Labor</b>				
YouthBuild	17.274	YB-31040-17-60-A-25 YB-34331-19-60-A-25		88,227 352,862
Total Youthbuild				<u>441,089</u>
<u>Pass-through -- City of Lowell</u>				
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	CT101-20		<u>11,196</u>
Total Department of Labor				<u>452,285</u>
<b>Department of the Interior</b>				
Conservation Activities by Youth Service Organizations	15.931	P19AC00187 P20AC00286 P20AC00289		17,777 8,218 4,838
Total Department of the Interior				<u>30,833</u>
<b>Department of Energy</b>				
<u>Pass-through -- Greater Lawrence Community Action Council, Inc.</u>				
Weatherization Assistance for Low-Income Persons	81.042			<u>9,064</u>
Total Department of Energy				<u>9,064</u>
<b>Department of Homeland Security</b>				
Emergency Food and Shelter National Board Program	97.024			44,514 <u>26,155</u>
Total Department of Homeland Security				<u>70,669</u>
<b>Department of Justice</b>				
<u>Pass-through -- Youthbuild U.S.A.</u>				
Juvenile Mentoring Program	16.726	2019-JU-FX-0005		<u>66,061</u>
Total Department of Justice				<u>66,061</u>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>Small Business Administration</b>				
Technical Assistance	59.046	SBAOCAML200119		86,294
Prime Technical Assistance	59.050	SBAOCAPR2000022-01-00		51,344
Total Small Business Administration				137,638
<b><u>Total Expenditures of Federal Awards</u></b>				<b><u>\$ 91,020,709</u></b>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Community Teamwork, Inc., under programs of the federal government for the year ended June 30, 2021. 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). Because the Schedule presents only a selected portion of the operations of Community Teamwork, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Teamwork, Inc.

**Note 2 - Summary of Significant Accounting Policies**

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

Community Teamwork, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3 - Food Vouchers**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. The Massachusetts Department of Public Health administers the Special Supplemental Food Program for Women, Infants, and Children (“WIC”). For the year ended June 30, 2021, the value of food vouchers provided to WIC recipients was \$1,877,954.

\* Major Program

**Community Teamwork, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2021**

U.S Department of Housing and Urban Development, passed through Massachusetts Department of Housing and Community Development

Housing Voucher Cluster (“HVC”) - CFDA No. 14.871, 14.879;

Significant Deficiency

2020-001    *Condition and Criteria:* Housing assistance and tenant payments for seven of the 45 client files selected for testing were calculated incorrectly due to errors in the amounts used for income, deductions, and/or utility allowances. In addition, one of the 45 clients selected for testing had an incorrect utility allowance used in the calculation, but this did not result in an incorrect housing assistance or tenant payment. Organizations operating Housing Voucher Cluster programs are required to maintain sufficient internal controls to ensure compliance with allowable cost compliance requirements.

*Current Status:* The housing assistance and tenant payment for one of the 20 client files selected for testing was calculated incorrectly due to an error in the utility allowance.

*Planned Corrective Action:* Community Teamwork, Inc. (CTI) has implemented a weekly training workshop with all HVC staff beginning in June 2021. Also, beginning October 1, 2021, CTI has started conducting an internal quality control review of four files per staff each month. CTI will also be sending staff to Nan McKay HCV Specialist training in December 2021, and are currently working on an onboarding training manual with an estimated completion date of April 2022.

**Community Teamwork, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2021**

U.S Department of Housing and Urban Development, passed through Massachusetts Department of Housing and Community Development

Housing Voucher Cluster (“HVC”) - CFDA No. 14.871, 14.879;

Significant Deficiency

2020-002 *Condition and Criteria:* Two of the 45 client files selected for testing were missing documentation such as support for income, Enterprise Income Verification (EIV) forms, and a signed Asset Income Self-Certification form . In addition, one of the 45 client files selected for testing contained an Enterprise Income Verification (EIV) which was not run within 120 days of the recertification date. Organizations operating Housing Voucher Cluster programs are required to maintain sufficient internal controls to ensure compliance with eligibility requirements.

*Current Status:* One of the 20 client files selected for testing was missing an Enterprise Income Verification (EIV) form.

*Planned Corrective Action:* Community Teamwork, Inc. (CTI) has implemented a weekly training workshop with all HVC staff beginning in June 2021. Also, beginning October 1, 2021, CTI has started conducting an internal quality control review of four files per staff each month. If staff are below DHCD benchmarks according the QC policy those staff will be put on a performance action plan and subject to additional training and file reviews. CTI will also be sending staff to Nan McKay HCV Specialist training in December 2021, and are currently working on an onboarding training manual with an estimated completion date of April 2022. In addition, CTI will be consulting with Edgemere, a local HCV compliance firm, to develop online training modules that staff can attend as needed based on performance needs and training expectations.



***Building Communities, Changing Lives***

Karen N. Frederick  
Chief Executive Officer

Dennis E. Piendak  
President

Sheila Och  
Vice President

Germaine Vigeant-Trudel  
Treasurer

Lynn M. Roderick  
Assistant Treasurer

Bernadette Wheeler  
Clerk

## **Corrective Action Plan**

December 8, 2021

Community Teamwork, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2021.

Name and address of independent public accounting firm: Anstiss & Co., P.C.  
6 Omni Way, Suite 201  
Chelmsford, MA 01824

Audit Period: July 1, 2020 through June 30, 2021

The findings from the June 30, 2021 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **Findings - Federal Award Program Audit**

#### **Significant Deficiency**

2021-001 *Recommendation:* Community Teamwork, Inc. implement staff training and additional internal control procedures to ensure that housing assistance payments and tenant payments are calculated correctly in accordance with program regulations.

*Corrective Action:* Community Teamwork, Inc. agrees with this finding and has implemented a weekly training workshop with all HVC staff beginning in June 2021. Also, beginning October 1, 2021, CTI has started conducting an internal quality control review of four files per staff each month. If staff are below DHCD benchmarks according to the QC policy those staff will be put on a performance action plan and subject to additional training and file reviews. CTI will also be sending staff to Nan McKay HCV Specialist training in December 2021, and are currently working on an onboarding training manual with an estimated completion date of April 2022. In addition, CTI will be consulting with Edgemere, a local HCV compliance firm, to develop online training modules that staff can attend as needed based on performance needs and training expectations.

#### **Significant Deficiency**

2021-002 *Recommendation:* Community Teamwork, Inc. put effective controls in place to ensure all required documentation are being maintained in the files in accordance with the applicable Federal requirements.

*Corrective Action:* Community Teamwork, Inc. agrees with this finding and has implemented a weekly training workshop with all HVC staff beginning in June 2021. Also, beginning October 1, 2021, CTI has started conducting an internal quality control review of four files per staff each month. If staff are below DHCD benchmarks according the QC policy those staff will be put on a performance action plan and subject to additional training and file reviews. CTI will also be sending staff to Nan McKay HCV Specialist training in December 2021, and are currently working on an onboarding training manual with an estimated completion date of April 2022. In addition, CTI will be consulting with Edgemere, a local HCV compliance firm, to develop online training modules that staff can attend as needed based on performance needs and training expectations.

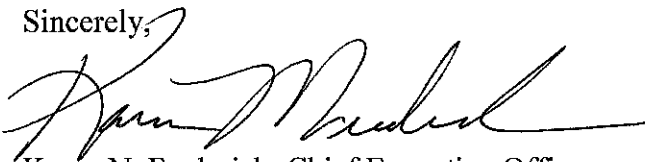
#### Significant Deficiency

2021-003 *Recommendation:* Community Teamwork, Inc. implement staff training and additional internal control procedures to ensure that eligibility determinations re made in accordance with program regulations.

*Corrective Action:* Community Teamwork, Inc. agrees with this finding and has implemented a weekly training workshop with all HCEC staff beginning in June 2021. Also, beginning October 1, 2021, CTI has started conducting an internal quality control review of four files per staff each month. CTI staff will participate in RAFT/ERAP weekly compliance trainings that are facilitated by Nan McKay in December 2021, and are currently working on an onboarding training manual with an estimated completion date of April 2022. Lastly, the HCEC department will post and hire a Quality Assurance and compliance manager role, who will enhance compliance systems and take over weekly compliance review of files.

If there are any questions regarding this plan, please call Penny Judd, Chief Financial Officer, at 978-459-0551.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen N. Frederick", written in a cursive style.

Karen N. Frederick, Chief Executive Officer  
Community Teamwork, Inc.