



Kelly Vitale Raffol LLC
CERTIFIED PUBLIC ACCOUNTANTS



Cambridge Community Center
Building Community Together

Financial Statements

For the Years Ended June 30, 2023 and 2022

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CAMBRIDGE COMMUNITY CENTER, INC.

Financial Statements

For the Years Ended June 30, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors
Cambridge Community Center, Inc.
Cambridge, Massachusetts

Opinion

We have audited the accompanying financial statements of Cambridge Community Center, Inc. (a nonprofit organization), (the Center), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Center's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023, on our consideration of Cambridge Community Center, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KellyVitaleRaffol LLC

Boston, Massachusetts
November 21, 2023

CAMBRIDGE COMMUNITY CENTER, INC.

Statements of Financial Position

As of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 914,771	\$ 957,471
Grants and contracts receivable	85,113	120,999
Prepaid expenses	10,945	8,414
Property and equipment, net	739,275	516,111
<i>Total assets</i>	<u>\$ 1,750,104</u>	<u>\$ 1,602,995</u>
 <i>Liabilities and Net Assets</i>		
<i>Liabilities</i>		
Accounts payable	\$ 41,903	\$ 26,949
Accrued expenses	91,888	46,349
Fiscal agency liability	272,650	70,005
<i>Total liabilities</i>	<u>406,441</u>	<u>143,303</u>
 <i>Net Assets</i>		
Without donor restrictions	504,809	522,968
With donor restrictions	838,854	936,724
<i>Total net assets</i>	<u>1,343,663</u>	<u>1,459,692</u>
<i>Total liabilities and net assets</i>	<u>\$ 1,750,104</u>	<u>\$ 1,602,995</u>

See accompanying notes to financial statements.

CAMBRIDGE COMMUNITY CENTER, INC.

Statement of Activities

For the Year Ended June 30, 2023

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenue and Support</i>			
Program service fees	\$ 746,492	\$ -	\$ 746,492
Contributions and grants	478,422	152,000	630,422
Rental income	100,179	-	100,179
Donated goods and services	6,820	-	6,820
Other miscellaneous revenue	7,971	-	7,971
Net assets released from restrictions	249,870	(249,870)	-
<i>Total revenue and support</i>	1,589,754	(97,870)	1,491,884
<i>Expenses</i>			
Program services	1,115,150	-	1,115,150
General and administration	369,476	-	369,476
Fundraising expenses	123,287	-	123,287
<i>Total expenses</i>	1,607,913	-	1,607,913
<i>Changes in net assets</i>	(18,159)	(97,870)	(116,029)
<i>Net assets, beginning of year</i>	522,968	936,724	1,459,692
<i>Net assets, end of year</i>	\$ 504,809	\$ 838,854	\$ 1,343,663

See accompanying notes to financial statements.

CAMBRIDGE COMMUNITY CENTER, INC.

Statement of Activities

For the Year Ended June 30, 2022

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenue and Support</i>			
Program service fees	\$ 462,238	\$ -	\$ 462,238
Contributions and grants	379,629	785,086	1,164,715
Rental income	89,803	-	89,803
PPP loan forgiveness	108,535	-	108,535
Net assets released from restrictions	84,541	(84,541)	-
<i>Total revenue and support</i>	1,124,746	700,545	1,825,291
<i>Expenses</i>			
Program services	761,281	-	761,281
General and administration	276,612	-	276,612
Fundraising	133,190	-	133,190
<i>Total expenses</i>	1,171,083	-	1,171,083
<i>Changes in net assets</i>	(46,337)	700,545	654,208
<i>Net assets, beginning of year</i>	569,305	236,179	805,484
<i>Net assets, end of year</i>	\$ 522,968	\$ 936,724	\$ 1,459,692

See accompanying notes to financial statements.

CAMBRIDGE COMMUNITY CENTER, INC.

Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

	2023	2022
<i>Cash Flows from Operating Activities</i>		
Reconciliation of change in net assets to net cash provided by Operating Activities		
Changes in net assets	\$ (116,029)	\$ 654,208
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	30,443	33,776
PPP loan	-	(108,535)
Changes in operating assets and liabilities		
Accounts receivable	35,886	(55,109)
Prepaid expenses	(2,531)	1,844
Accounts payable	14,479	2,510
Accrued expenses	45,539	(7,693)
Fiscal agency liability	202,645	55,560
	210,432	576,561
<i>Cash Flows from Investing</i>		
Purchase of property and equipment	(253,132)	(80,942)
	(253,132)	(80,942)
<i>Cash Flows from Financing Activities:</i>		
Repayments of debt obligations	-	(275,893)
	-	(275,893)
<i>Net change in cash and cash equivalents</i>	(42,700)	219,726
<i>Cash equivalents, beginning of year</i>	957,471	737,745
<i>Cash equivalents, end of year</i>	\$ 914,771	\$ 957,471
Cash paid during the year for interest	\$ -	\$ 14,554

See accompanying notes to financial statements.

CAMBRIDGE COMMUNITY CENTER, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2023

	<i>Program Services</i>	<i>General and Administration</i>	<i>Fundraising</i>	<i>Total</i>
Salaries and related expenses	\$ 992,695	\$ 45,009	\$ 119,058	\$ 1,156,762
Bank charges	231	9,576	287	10,094
Professional fees	3,473	139,971	-	143,444
Depreciation	-	30,443	-	30,443
Dues and subscriptions	-	3,655	-	3,655
Equipment rental	-	1,644	-	1,644
Insurance	-	29,505	-	29,505
Marketing	230	29,054	-	29,284
Printing and postage	310	4,709	2,440	7,459
Program supplies and expenses	100,908	12,590	44	113,542
Repairs and maintenance	14,850	8,621	-	23,471
Office supplies	-	2,062	12	2,074
Telephone and internet	963	9,559	-	10,522
Training	-	4,271	-	4,271
Transportation	-	-	-	-
Utilities	-	24,765	-	24,765
Other expense	1,490	14,042	1,446	16,978
<i>Total expenses</i>	\$ 1,115,150	\$ 369,476	\$ 123,287	\$ 1,607,913

See accompanying notes to financial statements.

CAMBRIDGE COMMUNITY CENTER, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2022

	<i>Program Services</i>	<i>General and Administration</i>	<i>Fundraising</i>	<i>Total</i>
Salaries and related expenses	\$ 676,739	\$ 28,215	\$ 126,679	\$ 831,633
Bank charges	-	9,474	68	9,542
Professional fees	1,225	94,971	-	96,196
Depreciation	-	33,776	-	33,776
Dues and subscriptions	-	3,464	-	3,464
Equipment rental	-	2,853	-	2,853
Insurance	-	27,278	-	27,278
Interest	-	13,007	-	13,007
Meals	7,685	2,549	-	10,234
Printing and postage	-	2,850	4,144	6,994
Program supplies and expenses	64,929	6,191	2,082	73,202
Repairs and maintenance	6,671	12,719	-	19,390
Office supplies	445	6,610	131	7,186
Telephone and internet	83	5,654	-	5,737
Training	96	49	-	145
Transportation	3,408	954	86	4,448
Utilities	-	25,998	-	25,998
<i>Total expenses</i>	\$ 761,281	\$ 276,612	\$ 133,190	\$ 1,171,083

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 1. Organization

The financial statements of Cambridge Community Center, Inc. (the Center) have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

The Center was incorporated in the Commonwealth of Massachusetts as a nonprofit corporation in 1929. In the 92 years since, the Center has initiated many Coast firsts, including the establishment of the first nursery school and the first varsity basketball games open to Black teens. In subsequent decades, the Center has hosted Head Start Program classrooms, the Riverside Health Care Facility, and a wide variety of community, political, and social events. The Center has served generations of children, youth, and families and continues to be a frontline resource for the most under-resourced, under-represented residents throughout the city of Cambridge.

Programs: are listed in order of relative importance based upon total program expenditures:

- *School-Age Programs:* The Center's largest program is the year-round Out-of-School Time (OST) Program, which includes after school and summer offerings for ages 5-13. The Center offers children and families diverse learning opportunities, programs, and services to close the opportunity gap and address generational and systemic disparities due to ethnicity and socioeconomic status. Many of the families and individuals enrolled in the program are living at or below the federal poverty line, a majority of which are Black or Latinx, including a sizable first- and second-generation immigrant population. The Center's OST program has a core emphasis on social-emotional development and ensuring that all children and families forge a sustainable and healthy future with access to services and enrichment.
- *Community Programs:* The Center's community programs include an annual Thanksgiving Luncheon, which attracts over 200 seniors from the community each year, and widely known initiatives such as the Cambridge Winter Farmers Market and The Coast Kitchen, a free community dinner that brings community members together every month. In response to the COVID-19 outbreak in the Greater Boston area, the Center launched a Food & Supply Pantry, which serves up to 500 households each week.
- *Teen Services:* The Center's core teen programs include The Hip Hop Transformation (THHT) and the Mental Health ACCESS (Advancing Culturally Competent Education to Stop Stigma) Program. THHT teaches teens the history of hip hop culture, the role hip hop culture plays in their lives and society and equips students with the resources and support to produce, write, record, perform, and distribute their own authentic hip hop music. The Mental Health ACCESS Program is designed to expose Black teens in Cambridge to mental health professions; provide psychoeducation about mental illness/health and its relevance; destigmatize mental illness and mental health treatment; and foster interest in pursuing post-secondary education and/or careers in mental health. Both programs place an emphasis on workforce development by providing teens with skills while unleashing their curiosity and creative abilities.

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Center's ongoing efforts.

Financial Statement Presentation

Net assets, revenues, gains, and losses 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:

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Center are presented as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net Assets with Donor Restrictions: Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or passage of time. 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. Contributions, gains and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized.

Revenue Recognition

Contracts: Federal and state contracts that are considered reciprocal transactions or purchases of services, the results of which are turned over to the grantor, are recognized as the work under the contract is performed. Contracts that are considered nonreciprocal transactions that further the programs of the Center are recorded when the Center receives notification of the contract, or if, conditions for performance are imposed, revenue is recognized when conditions have been met.

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (continued)

Grants: The Center receives funding from federal and state governmental agencies and various other grantors for direct and indirect program costs associated with specific programs and projects. Various grants are subject to certain barriers as outlined in the agreement. Revenue is recognized as the barrier is met. For unconditional grants, revenue is recognized as contribution revenue that increases net assets with donor restrictions at the time the grant is received or pledged, and the funds are released from restriction when the restriction has been met. Grants with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Contributions: In accordance with ASC Sub-Topic 958-605, Revenue Recognition, the Center must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Center should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Client Fees: Client fee revenue is earned and recognized by the Center when services are provided, which is included in program service fees on the statement of activities.

Rental: Rental income is derived from renting space in the Center's building for various activities and from vendors participating in the Cambridge Winter Farmers Market. Rental revenue is recognized as space is provided.

Substantially all the Center's revenue is derived from its activities in Massachusetts. During the year ended June 30, 2023 and 2022 approximately 45% of its total revenue from individuals, corporation and foundations, 23% from enrollment fees, 15% from governmental agencies. and 17% from other revenue streams. During the year ended June 30, 2022, the Corporation derived approximately 64% of its total revenue from individuals, corporation and foundation, 25% from governmental agencies and enrollment fees and 11% from other fees. All revenue is recorded at the estimated net realizable amounts.

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Grants and Contract Receivable

Grants and contract receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2023, management has determined any allowance would be immaterial. The Center does not have a policy to accrue interest on receivables. The Center has no policies requiring collateral or other security to secure the accounts receivable.

Cash and Cash Equivalents

The Center considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash restricted for building renovations are excluded from this definition.

The Center maintains its cash balances at several financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Center has not experienced any losses with respect to its bank balances in excess of government provided insurance. As of June 30, 2023 and 2022, the Center had approximately \$414,644 and zero, respectively, in excess of FDIC insurance limits. To date, the Center has not experience losses in any of the accounts.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. There were no unconditional promises to give as of June 30, 2023, and June 30, 2022.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises.

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated, less accumulated depreciation. The cost of property and equipment purchase in excess of \$1,000 is capitalized. Depreciation and amortization are 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.

The Center computes depreciation using the straight-line method over the following estimated lives:

Building	39 years
Building improvements	20 years
Playground equipment	10 years
Computers and equipment	3-5 years
Fixtures	5 years
Vehicles	5 years

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Center.

Payroll and associated costs are allocated to functions based upon actual time charges. Occupancy costs are allocated based upon square footage.

Comparative Financial Information

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Use of Estimates and Assumptions

In preparing the Center's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Goods and Services

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Gifts in kind are recorded as contributions at fair value at the date of donation. Such contributions are reported as increases in net assets without donor restrictions unless the donor has restricted the gift to a specific purpose.

Adopted Accounting Pronouncements

The Center has reviewed the implementation of ASU No. 2016-02 Leases (Topic 842) for the year ended June 30, 2023, which required the Center to capitalize on any operating leases which are greater than 12-months as an asset and liability on the statement of financial position and amortize the lease over the term of the lease on a straight-line basis. Finance leases have both an interest factor and depreciation of the lease asset. Non-lease components of monthly payment are a consideration, and the standard allows a practical expedient to lessees to no account for non-lease components separately. It was determined that ASU No. 2016-02 does not apply for the year ended June 30, 2023. The Center will continue to review on a year to year basis to determine if any changes occur.

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 3. Net Assets with Donor Restrictions

Net assets with donor restrictions consists of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of June 30, 2023, net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose:	
Capital renovations and improvements	\$ 573,599
Resilience hub	92,185
Afterschool	65,950
Teen programs	55,000
COVID-19 food assistance	13,500
Summer camp	8,000
Fiscal sponsor	12,620
Mental Health	18,000
Total	<u><u>\$ 838,854</u></u>
Satisfaction of purpose restrictions	
Capital renovations and improvements	\$ (178,871)
Resilience hub	(71,000)
Total	<u><u>\$ (249,871)</u></u>

Note 4. Commitments and Contingencies

Commonwealth of Massachusetts Contracts

The expenses reflected in the accompanying financial statements relating to Commonwealth of Massachusetts contracts are subject to review by the various funding sources. The possible disallowance of any items recorded as contract costs cannot be determined at this time. However, management does not believe that any such disallowance would be material to the Center's financial statements. Accordingly, no provision for any liability that may result has been made in financial statements.

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 5. Property and Equipment

Property and equipment consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 175,000	\$ 175,000
Construction in progress	273,903	68,545
Building and building improvements	922,896	875,122
Furniture, fixtures and equipment	111,012	111,012
Vehicles	32,434	32,434
	<u>1,515,245</u>	<u>1,262,113</u>
Less: accumulated depreciation	<u>(775,970)</u>	<u>(712,227)</u>
<i>Property and equipment, net</i>	<u><u>\$ 739,275</u></u>	<u><u>\$ 549,886</u></u>

Depreciation expense related to depreciable assets was \$30,443 and \$33,776 for the year ended June 30, 2023, and 2022, respectively. It is the Center's policy to capitalize amounts over \$2,500.

Note 6. Fiscal Agency Liability

The Center entered into an agreement with the City of Cambridge to provide services as fiscal agent to facilitate a joint program with two other charitable Organizations. As of June 30, 2023 and 2022, the Center had a liability due to the sponsor of \$272,498 and \$70,005, respectively related to their role as a fiscal agent.

CAMBRIDGE COMMUNITY CENTER, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

Note 7. Liquidity and Availability

The following reflects the Center’s financial assets as of June 30, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Cash and cash equivalents	\$ 914,771
Grants and contracts receivable	<u>85,113</u>
<i>Total financial assets</i>	999,884
Less: Net assets with donor restrictions	<u>838,854</u>
<i>Financial assets available to meet general expenditures over the next 12 months</i>	<u><u>\$ 161,030</u></u>

The Center is supported by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Center must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Center’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.

Note 8. In-Kind Contributions

For the years ended June 30, 2023, contributed nonfinancial assets recognized within the statements of activities included \$6,820 for equipment rental. Contributed equipment rental are valued using U.S wholesale prices (principal market) of identical or similar products or similar products using pricing data under a like-kind methodology considering the goods’ condition and utility for use at the time of the contribution.

Note 9. Subsequent Events

The Center has evaluated subsequent events through November 21, 2023 which is the date the financial statements were available to be issued. There were no material subsequent events as of that date which require disclosure in or adjustment to these financial statements.



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.

To the Board of Directors
Cambridge Community Center, Inc.
Cambridge, 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 financial statements of Cambridge Community Center, Inc. (the Center) (a nonprofit organization)(the Center), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center’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 Center’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.

KellyVitaleRaffol LLC

Boston, Massachusetts
November 21, 2023