



# Early Learning Program



## 2018-2019 Annual Report

**725**

Number of Children Served

**655**

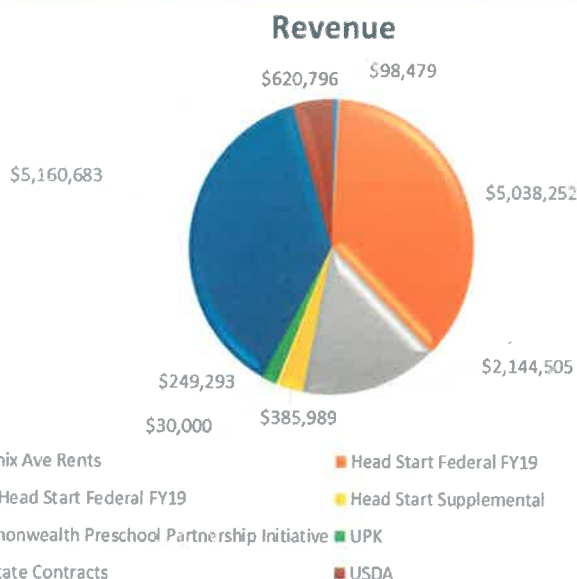
Number of Families Served

**18%**

Percentage of Eligible Children Served

**Average Monthly Attendance:** 86.86%

### Public & Private Funding Received FY 2019



#### **Explanation of Budgetary Expenditures:**

- ♦ The Federally Approved 12% Indirect Rate was maintained
- ♦ Spending patterns for program supplies, educational materials and office supplies remain consistent with the proposed budget
- ♦ A 3% COLA was awarded to all staff in January 2019.

### **Program Information Report Snapshot (PIR):**

#### **Early Head Start**

- 92% of children received medical exams
- 84 % of children received dental exams
- 38.6% of children had an IFSP

#### **Head Start**

- 97.5% of children received medical exams
- 92% of children received dental exams
- 8.7% of children had an IEP

*\*\* See attached for the Community Needs Assessment Update , Financial Audit. and the School Readiness Executive Summary,. The School Readiness Summary demonstrates parent involvement activities and preparations for children transitioning to Kindergarten.*

## Community Assessment Updates: 2018-2019

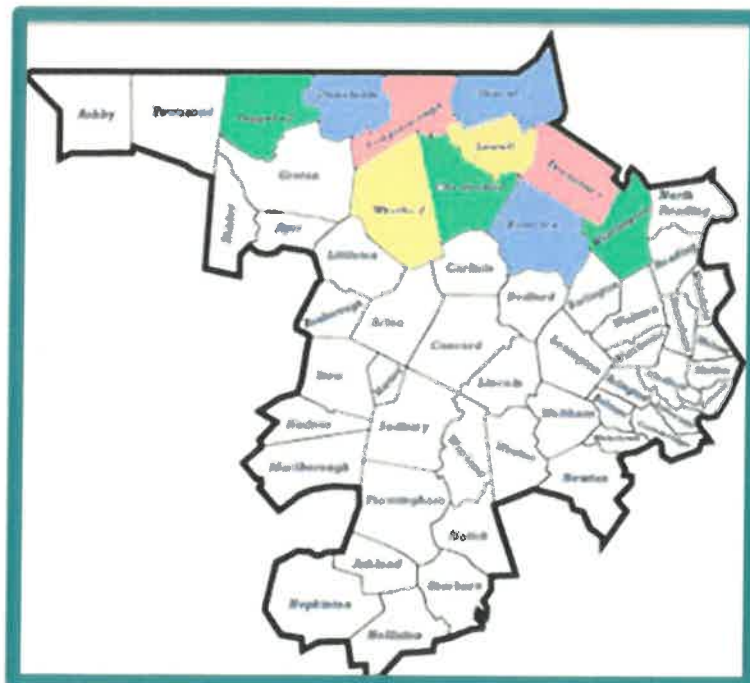
Community Teamwork conducts a comprehensive Needs Assessment every three years. In early August 2017, the distributed the completed 2018-2020 Community Assessment Report and Strategic Plan. Attached are the Key Findings that have implications for the Early Learning Program and provide an update to the 2014-2015 Head Start Community Needs Assessment conducted at the time of our initial grant application. The Early Learning 2014-2015 Community Needs Assessment contained Head Start specific data points which were not covered in the agency report. The full assessment has been reviewed in effort to identify changes within the characteristics of the community. Below is a summary of additional significant change found via newer public data sources during this review.

### Section 1: Demographic make-up of Head Start eligible children and families, including their estimated number, geographic location, homelessness status, and ethnic composition.

Strategies for Children works to ensure that Massachusetts invests the resources needed for all children, from birth-age five, to access high-quality early education programs that prepare them for success in school and life. In their efforts, they aggregate facts and data on the children and families in each community in the State. Economically disadvantaged is calculated based on a student's participation in one or more of the following state-administered programs: the Supplemental Nutrition Assistance Program (SNAP); the Transitional Assistance for Families with Dependent Children (TAFDC); the Department of Children and Families' (DCF) foster care program; and MassHealth (Medicaid). Sources: Massachusetts Department of Early Education and Care, Massachusetts Department of Elementary and Secondary Education, US Census 2010, ACS 12-16.

#### Number and Location of Eligible Children, 2017:

Child Population: Birth-5 <i>Source: Strategies for Children</i>										
	Lowell	Billerica	Chelmsford	Dracut	Tewksbury	Westford	Dunstable	Pepperell	Tyngsborough	Wilmington
# of Children	9,243	2,664	2,197	2,034	1,812	1,468	175	739	727	1,608
# of children living below the poverty line	33.90%	5.10%	1.50%	13.70%	4.10%	0	18.80%	6.10%	19.90%	4.50%



- According to these estimates, approximately 3,805 children under five years old live in poverty in the Community Teamwork service area.
- These estimates additionally indicate some notable shifts since the 2014-2015 Community Needs Assessment. *Source: US Census Bureau, 2009-2013 5 Year American Community Survey and Strategies for Children Community Data 2018*

The number of eligible children:

- Has decreased from a reported 2162 children to 3133 in Lowell; this is a decrease year-over-year for the city of Lowell
- are now being identified in both Dunstable and Pepperell, (now 18.8% and 6.1% of total birth-five population respectively) as the population in these two towns begins to reflect more economically disadvantaged families
- has almost doubled from 2.4% to 3.7% in Pepperell from 2017 to 2019
- has increased in Billerica (+.9%), Chelmsford (+1.5%), Dracut (+1.7%), Dunstable (+.5%), Pepperell (+1.3%), Tyngsborough (+1.2%) and Wilmington (+.1%)
- At this time, 33.9% of children birth-five, who reside in Lowell, live below the poverty line. Although the Commonwealth of Massachusetts has one of the lowest poverty rates in the country, there has been a lot of variation in Lowell's economic stability. While the poverty rate has increased by 11% since 2012, the unemployment rate has decreased by more than 50% since 2013. The median household income for Lowell residents is \$48,002, which is a slight decrease from the \$49,452 reported in the 2014-2015 Community Needs Assessment. *Source: Community Teamwork Community Assessment Report and Strategic Action Plan*

#### Children and Families experiencing homelessness:

The Agency Community Assessment evidenced Housing/Homelessness as the top need identified by respondents.

During the 2018-2019 program year, 46 enrolled children experienced homelessness (15 enrolled in Early Head Start, 31 enrolled in Head Start). Of these families, only 9 (19.5 %) acquired housing during the program year. This is an increase of 3.5% over the 13% of families that acquired housing the 2017-2018 program year.

#### Racial and ethnic composition of eligible families:

Race	2014-2015 HS	2014-2015 EHS	2015-2016 HS	2015-2016 EHS	2016-2017 HS	2016-2017 EHS	2017-2018 HS	2017-2018 EHS	2018-2019 EHS	2018-2019 HS
American Indian or Alaskan Native	0	0	1	0	1	0	0	0	0	0
Asian	77	21	74	19	57	12	58	14	14	45
Black or African American	72	27	69	32	67	19	67	20	15	81
other Pacific Islander	0	0	1	0	0	0	0	0	0	2
White	409	111	323	129	329	97	331	104	113	318
Biracial/Multi-racial	63	46	85	45	97	28	97	27	27	89
Other	10	13	18	13	12	6	8	8	1	10
Cumulative	631	218	571	238	563	162	561	173	170	545

Ethnicity	2014-2015 HS	2014-2015 EHS	2015-2016 HS	2015-2016 EHS	2016-2017 HS	2016-2017 EHS	2017-2018 HS	2017-2018 EHS	2018-2019 EHS	2018-2019 HS
Hispanic or Latino Origin	296	107	255	99	258	72	261	80	89	275
Non Hispanic/ Non Latino Origin	335	111	316	139	305	90	300	93	81	270
Cumulative Enrollment	631	218	571	238	563	162	561	173	170	545

Source: Program Information Reports: 2014-2018 \*PIR data for 2018-2019 collected last on April 30, 2019

A review of our PIR data during the 2018-2019 year found the following Race, Ethnicity and Primary Language information for children served:

- 60% were White
- 16% were Bi-Racial/Multi-Racial
- 13% were Black or African American
- 8 % were Asian
- 1% identified as "other"
- 50% were Hispanic or Latino, 49 % were Non-Hispanic/Non-Latino

It is notable that the program has seen an increase in our service to the Asian community (+ 2%) and a considerable increase in the Hispanic/Latino community (+6%). PIR data at this time, does continue to indicate a small increase in diversity in comparison to the 2014-2015 program year (of which, 61% of children served were White and 13 % were Bi-racial/Multi-Racial).

While the Program Information Report indicates that 70% of families speak English. This is a decrease of 4% since last year. During the 2018-2019 program year, we have seen a slight change in the composition of languages spoken since the 2014-2015 program year. Most notably, we are seeing the remaining 29% of languages spoken consist of varied African, Caribbean, Middle-Eastern, South Asian languages, European/Slavic as well as Spanish. This may be a reflection of the Greater Lowell area being a welcoming region for refugees. The International Institute of New England currently services families from Afghanistan, Burma, China, Cuba, Somalia, Democratic Republic of Congo, Iraq, Sudan and Uganda and Syria. The support services offered by the International Institute result in referrals to the program.

## Section 2: Other Child Development and Child Care Programs:

Early Education and Care : Source Strategies for Children April 2019										
	Lowell	Billerica	Chelmsford	Dracut	Tewksbury	Westford	Dunstable	Pepperell	Tyngsborough	Wilmington
% of children under age 6 with all parents in the labor force	70.4%	71.9%	68.5%	63.5%	84.8%	71.3%	39.8%	66.5%	72.4%	78.3%
# of preschool aged children 3-5 years	4466	1361	1207	1063	954	896	110	406	413	841
% of children enrolled in an early education program (estimate only)	46.1%	63.4%	71.3%	48.5%	62.3%	76.8%	51.9%	68.5%	63.5%	80.2%
# of public schools w/ preschool classrooms	13	1	1	1	1	1	1	1	1	2
# of licensed center-based programs	15	13	13	11	12	10	1	3	3	7
# of licensed family child care providers	262	38	25	43	27	12	1	6	8	14

- Dracut and Pepperrell continue to have an increasing percentage of children living below the poverty line each year and the lowest percentage of children enrolled in an early education program.
- All ten cities in our catchment area have seen a statistical increase in the % of children enrolled in an early education program.
- As of May 2019, the Massachusetts State Waitlist for childcare (Kinderwait) reports a total of 986 children in our catchment area who are in need of full time childcare. Of the 986 total children on the waitlist, 256 of these are infants or toddlers, the largest majority of those residing in Lowell.

Childcare Waitlist by Location and Age		Source: EEC - Kinderwait collected May 2019		
Locations	Infants 2mo to 15 mo	Toddlers 15 mo-2.9	Preschool 2.9 - 5	Totals
Billerica	12	10	16	38
N. Billerica	3	8	6	17
Chelmsford	9	18	14	41
N. Chelmsford	1	8	8	17
Dracut	27	53	46	126
Dunstable	0	0	0	0
Pepperell	2	3	3	8
Tyngsboro	3	2	4	9
Tewksbury	9	16	12	37
Westford	0	3	4	7
Wilmington	1	4	7	12
Lowell - 01850	37	41	39	117
Lowell - 01851	50	67	100	217
Lowell - 01852	68	64	82	214
Lowell - 01854	34	43	49	126
<b>Totals</b>	<b>256</b>	<b>340</b>	<b>390</b>	<b>986</b>

- The need for childcare continues to be evident in the community as indicated by this waitlist in comparison to available childcare slots. Most notable are the waitlist numbers for Infant and Toddler care exceed that of Preschool aged need. For example: in the city of Lowell alone, the Department of Early Education and Care reports licensed Infant and Mixed age Infant child care capacity in large group center-based programs to meet only 42% % of the infants on the waitlist.

Group Care Licensed capacity Lowell, MA June 2018			Source: Secondary Records Access Department Massachusetts Department of Early Education and Care	
Infants	Toddlers	Preschool	Mixed Age Toddler- Preschool	Mixed Age Infant- Toddler
35	98	847	9	54

**Section 4: Data regarding the education health, nutrition, and social service needs of Head Start eligible children and families**

**Social Services:**

- The program and community have seen a steady increase in service needs to support families impacted by substance use. In the city of Lowell, the number of opioid-related deaths was 7x higher in 2016 than 2012. This was the highest increase among the Massachusetts Gateway Cities.
- In 2017, there was a marked decrease in Opioid related overdose deaths in the following gateway cities; Lowell, Lawrence and Haverhill.

<b>Number of Opioid Related Overdose Deaths in Gateway Cities</b>					
Report Area	2013	2014	2015	2016	2017
Lowell	25	39	59	63	52
Lawrence	10	25	25	46	37
Haverhill	8	35	30	36	28
Methuen	6	13	6	13	20
Salem	7	13	13	19	21
Peabody	12	14	11	9	23
Massachusetts	961	1361	1651	1933	1945

Source: Massachusetts Department of Public Health – Posted May 20.



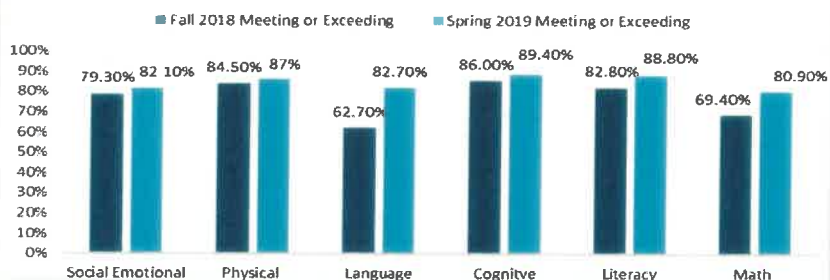
## Early Learning Program School Readiness Spring 2019



### Key Findings:

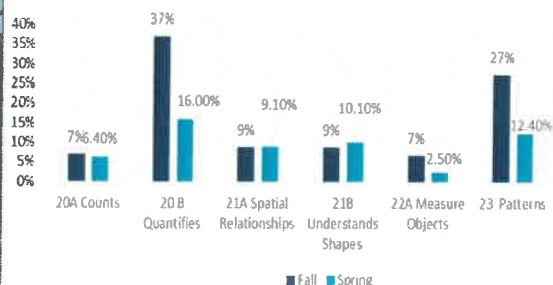
- ◇ 89.4% of our Infants and Toddlers are either meeting or exceeding expectations in the area of Cognitive Development.
- ◇ Mathematics continues to be an area of learning that shows the most opportunity for growth. However the program did see a large increase in the amount of Infants and Toddlers meeting or exceeding in the area of Mathematics from 69.4% to 80.9% in the Spring our efforts and impacts are highlighted below.

### PERCENTAGE OF EARLY HEAD START CHILDREN MEETING OR EXCEEDING DEVELOPMENTAL EXPECTATIONS FALL 2018/SPRING 2019 COMPARISON



## Early Head Start Mid-Year Effort Outcomes

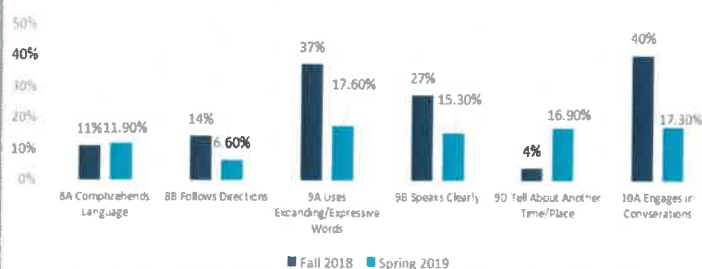
### Mathematics Dimension Breakdown Early Head Start Below Expectations Fall/Spring



### Mid-Year Effort Outcomes:

In the Fall, 30.6% of our Infants and Toddlers fell below expectations, in the Mathematics Objective, with an identified struggle in Objective 20B, Quantifying. Our mid year effort included a targeted approach to include more intentional math experiences throughout the daily routine. Educators also utilized the EHS Early Learning Outcomes Framework Crosswalk to offer more activities that encouraged an increased awareness of quantity. In the Spring, we saw that 37% of children previously falling below expectations in Objective 20b, decreased to just 16%. Currently 84% of our Infants and Toddlers meeting or exceeding in this objective.

### Language Dimension Breakdown Early Head Start Below Expectations Fall/Spring



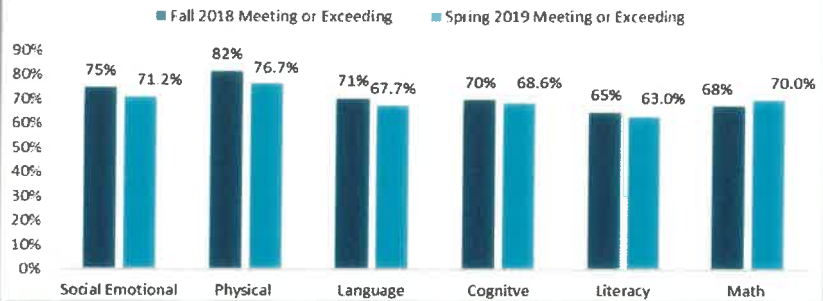
### Mid-Year Effort Outcomes:

In the Fall, 37.7% of our Infants and Toddlers fell below expectations, in the Language Objective, with an identified need in Objective 10A, Engages in Conversation. While we did identify that 45 % of enrolled EHS children have an Individualized Family Service Plan for Language, our Educators did make a conscious effort to intentionally plan, document, and observe conversations with children. The amount of observations of children engaging in conversations increased from just 75 in the Fall to 155 in the Spring. With this increased focus on language, we saw a drastic decrease from 40.2% of children falling below expectations in Objective 10A in the Fall, to just 17.3% in the Spring. Currently 82.7% of our Infants and Toddlers meeting or exceeding in this objective.

### Key Findings:

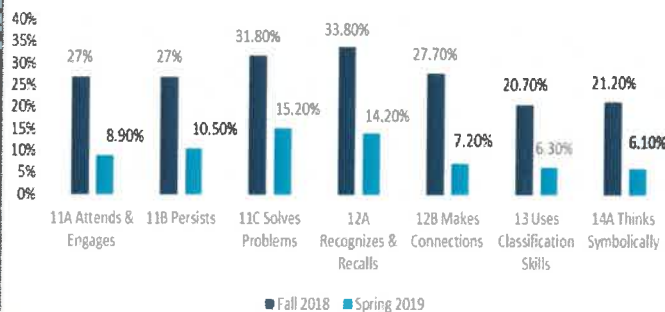
- Physical Development remains our strongest area of development for our preschool children with 77% of children enrolled either meeting or exceeding expectations.
- Literacy continues to be an area of growth, with 37% of our preschool children falling below expectations.

### PERCENTAGE OF HEAD START CHILDREN MEETING OR EXCEEDING DEVELOPMENTAL EXPECTATIONS FALL 2018/SPRING 2019 COMPARISON



## Head Start Mid-Year Effort Outcomes

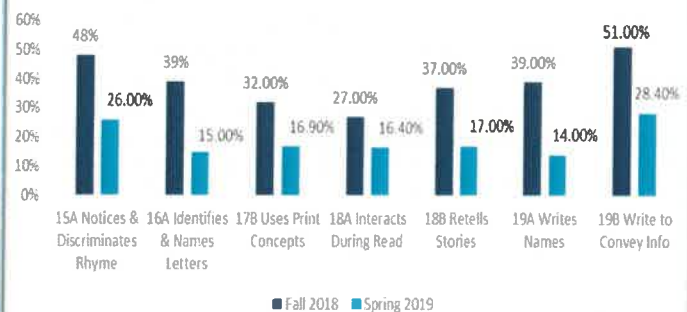
### Cognitive Dimension Breakdown Head Start Below Expectations Fall/Spring



### Mid-Year Effort Outcomes:

In the Fall, 30% of our Preschoolers fell below expectations, in the area of Cognitive Development with an identified need in objective 12A, Recognize & Recalls. Throughout the school year, Educators utilized the Creative Curriculum intentional teaching cards and book reading cards to individualize for children's identified goals. Center Directors frequently observed in classrooms, as well as reviewed curriculum plans to ensure there was a focus on enhancing cognitive development and individualizing goals. We saw a decrease in the amount of preschoolers falling below expectations in the Cognitive Objective with 33.8% in the Fall to just 14.2% in the Spring. Currently 85.8% of our Preschoolers are meeting or exceeding in this objective.

### Literacy Dimension Breakdown Head Start Below Expectations Fall/Spring



### Mid-Year Effort Outcomes:

In the Fall, 44% of our Preschoolers fell below expectations in the area of Literacy Development with an identified struggle in objective 19B, Write to Convey Ideas & Information. Educators focused on enhancing a print rich environment utilizing feedback from the ELLCO and ECERS observations. Center Directors and Educators worked together to create an action plan for each classroom to continue to support Literacy development. We saw a large decrease in the number of preschoolers falling below expectations in the Fall of 51% to only 28.4% falling below expectations. Currently, 71.6% of our preschoolers are meeting or exceeding in this objective.

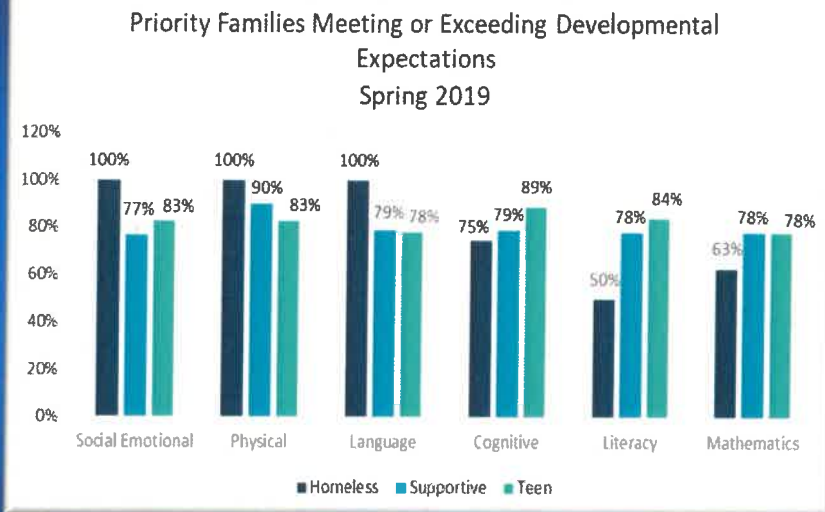


## Children's Learning and Development Continued

### A Focused Look at Priority Families

#### Key Findings:

- ◇ While Social Emotional, Physical, and Language are strengths for children enrolled who are homeless, Literacy and Mathematics are identified areas of growth and align with our program findings.
- ◇ On average, approximately 25% of our children enrolled in Supportive slots are currently below developmental expectations.
- ◇ In comparison with Fall data, our children who have a Teen parent stayed consistent with at least 75% meeting or exceeding expectations.



### Priority Families Mid-Year Effort Outcomes

This Fall we identified a need in the area of Social Emotional development for our children who were experiencing homelessness. We saw substantial growth in this area, going from more than half (63.6%) of the children falling below expectations in the Fall to 100% either meeting or exceeding expectations in the Spring. Through individualization and implementing strategies from the Pyramid Model approach consistently, we were able to have such impactful gains.

#### Key Findings:

- ◇ As a program, we identified the biggest area of growth was in the area of Mathematics with 61.4% of children meeting or exceeding expectations in the Fall to 84.3% in the Spring. This is a direct impact of our mid-year efforts.
- ◇ As a program, Literacy has been identified an area of potential growth with 18.2% currently falling below expectations.

### Program Findings

Utilizing our data from the past 4 years of child outcomes, we have acknowledged that both Early Head Start and Head Start have identified Mathematics, Literacy, and Cognitive development as reoccurring developmental areas that the program has specifically focused on as an area of potential growth.

Educators would benefit from Professional Development that focuses on better understanding of age appropriate developmental milestones and what this looks like for each objective in the My Teaching Strategies assessment. We have included this in our Training and Technical Assistance Plan for the 2019-2020 school year.

## Teaching Practices: CLASS

What's the data telling us?

**ELP CLASS Scores  
National Average Comparison  
Spring 2019**

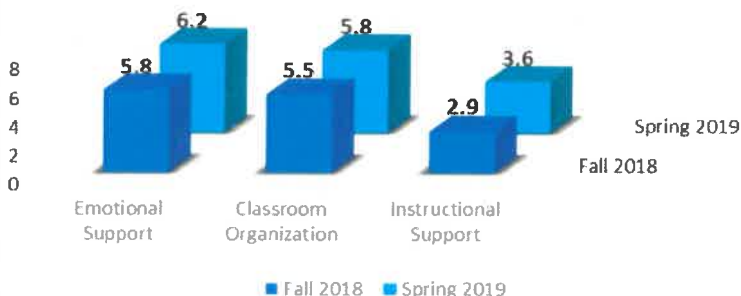


The Fall 2018 CLASS scores indicated that we were closely aligned with the National Average CLASS scores, this remains the same for our Spring 2019 CLASS scores. Emotional Support continues to be our highest domain, with a score of 6.4. As a program, for the past 4 years, we have focused on implementing a program-wide Pyramid Model Approach. In doing so, we have seen a steady increase in our Emotional Support scores from 5.4 in 2014 to 6.4 in 2019, moving the program from the mid to high range.

In an effort to continue to increase our CLASS scores, we looked into purchasing Teachstone CLASS feedback trainings for all Center Directors. Upon purchasing and reviewing this training, it was decided that we needed to take a more individual approach, as the experience level of our Center Directors and use of the CLASS tool is varied. We have now hired a consultant to meet with each of our Center Directors individually to go over effective feedback on the CLASS observation tool. The consultant will tailor her training to the needs and experiences of each Center Director. These feedback training sessions will allow Center Directors to provide higher quality feedback to educators and give them the opportunity to create meaningful classroom action plans.

## Staff Development: Communities of Practice (COP)

**Classrooms Participating in CLASS COP  
Fall 2018/Spring  
Comparison**



During the 2017-2018 school year, 6 educators participated in a pilot Community of Practice that was focused on CLASS Teaching Practices and was facilitated by our Child Development Coaches.

Although the COP has since ended, we are still seeing the positive impacts of this group. The educators involved have CLASS scores that continued to increase from the Fall of 2017 to Spring of 2019.

Due to the dramatic increase in CLASS scores for the pilot participants, the program is currently in the planning phase to roll out Communities of Practice to all educators at the James Houlares Center during the 2019-2020 program year.

## Staff Development: Child Development Coaching

### Coaching Success Stories

“Success isn’t just about what you accomplish, it’s about what you inspire others to do.”

During the 2018-2019 school year 39 educators received coaching in some capacity from one of our Child Development Coaches!

That is 46.9 % percent of our staff!

Kathy Torres is a Teacher’s Aide in Red Room at Children’s Village. Kathy started coaching with Kendra in February 2019. She had moved from Part-time as needed Teacher’s Aide to the full time Teacher’s Aide in Red Room around the time that she started coaching. Kathy was receptive of coaching right off the bat and very eager to learn. Kathy has done a great job with being truly reflective of her own practices and applying what she has learned through coaching into her daily teaching practices. Through hard work and determination, Kathy has earned her CDA this past school year. Kathy continues to bring her positivity of learning and growing into each and every coaching session that she has and is a prime example of what it means to be a reflective coachee. Through coaching she has gained new perspectives and knowledge that she willingly applies to her classroom.

Submitted by Kendra Joubert, Child Development Coach

Early Head Start had four teachers participate in a Communities of Practice. This group met 3 times over the year where we looked at teaching practices. The group discussed and reflected on their own as well as each other’s skills in the classroom. They shared ideas, successes, and areas of needs in a thoughtful and meaningful way. The experience was such a success that we are going to continue with it next year. A round of applause go out to Kristen Heyl,

Jennifer Herrera-Baltan, Melissa Alfonso, and Yilda Solano

Submitted by Kristin Hovey, Child Development Coach



## Dual Language Learners

This past school year, the Dual Language Learner Tiger Team piloted several supplemental materials to support the learning of Dual Language Learners in our program, as well as a potential assessment tool used to identify the specific needs of our Dual Language Learners. These materials were piloted in 3 preschool classrooms and 1 home visiting caseload. After training each Educator on the use of the assessment and materials, we focused on comparing child outcomes for each of these classrooms. In reviewing the data, we have identified increased learning outcomes in all developmental areas. Children identified as Dual Language Learners saw positive gains in the areas of Social Emotional, Spanish Literacy, and Mathematics. Areas of growth included Literacy and Language. We have also collected feedback from each educator in the pilot classrooms or caseload on materials that were successful, materials that weren't as helpful, and ideas on what other things we can purchase to continue to support our Dual Language Learners.

Looking forward to next year, we would like to implement more pilots within the program, as well as offer the staff a training of Diversity and Culture. This has been included on the Training and Technical Assistance Plan for the 2019-2020 school year. We plan to continue to collect and evaluate data to help us plan and implement an approach to supporting our Dual Language Learners school readiness success.

## Behavioral Health

### Highlights from 2018-2019 Updates & Mid-year Effort Outcomes:

- The Pyramid Model Leadership Teams (PMLT) hosted a regional meeting of leadership members from programs across the Merrimack Valley and North Shore.
- The teams are working on the five year goal in behavioral health. They have developed and piloted a Child Behavior Incident Report form that will be introduced to all staff in September. This project was a focus of the year four, 5 year grant work.
- The program continues to benefit from the external coaching that is delivered to 2 classrooms at the Parker. The post TPOT assessment scores for these classrooms show a significant increase since the Fall.
- A Pyramid Model training for the Family Service Workers was provided in March. The focus was on the bottom layers of the pyramid and how to provide information and support to families.
- Pyramid Model posters are displayed in each of the centers/pods.
- Three teachers, the Behavioral Health Specialist and 2 administrators completed the Train the Trainer course. This means that the program now has 6 staff who can provide the Foundations of the Pyramid model training to staff.
- The PML Teams launched a Pyramid Model post that appears weekly on the ELP Facebook page. Thus far, we have 123 likes, 40 shares & 1 parent comment with her ideas on fostering teamwork among her children at home.

### Behavioral Health

#### Consultations and Efforts

#### Spring 2019

FYI's Received - 19

FYI's Assigned – 15

FYI's Ongoing—17

FYI's Discharge of services – 3

#### Results of Mid-year Efforts:

- Video as a reflection tool is now being utilized and teacher feedback (to date) has been positive.
- Gaining teacher buy-in regarding collecting data to assist in identifying when and why challenging behaviors are happening continues to be an ongoing challenge. This will be a focus in the 2019-2020 program year as we move forward with consultants, our workforce development team and behavioral health team.
- The Behavioral Health Specialist & Lead Teacher for Pod B provided a "Deep Dive" training for teachers on Thoughtful Transitions. 9 teachers participated (voluntarily) and reported that the training has supported them to have better prepared transition plans.

## Behavioral Health Continued

Head Start Resilience DECA Fall 2018/Spring 2019 Comparison					
Scale	Goal	Fall 2018 Teachers	Spring 2019 Teachers	Fall 2018 Parents	Spring 2019 Parents
<i>Need</i>	≤16%	14%	12%	29%	23%
<i>Typical</i>	≥68%	80%	73%	59%	61%
<i>Strength</i>	>16%	6%	15%	12%	16%

Head Start Behavior Concerns DECA Fall 2018/Spring 2019 Comparison					
Scale	Goal	Fall 2018 Teachers	Spring 2019 Teachers	Fall 2018 Parents	Spring 2019 Parents
<i>Need</i>	≤20%	8%	13%	25%	23%
<i>Typical</i>	≥80%	92%	87%	75%	77%

### DECA Key Findings:

- Although the program met the standardization in resilience and behavioral concerns, there is an increase in the percentage of children identified with red flags for behavior from fall to spring.
- Further examination of the data showed that 13 children went from typical behavior in the fall to having behavioral concerns in spring.

### What we found through data research and educator focus groups:

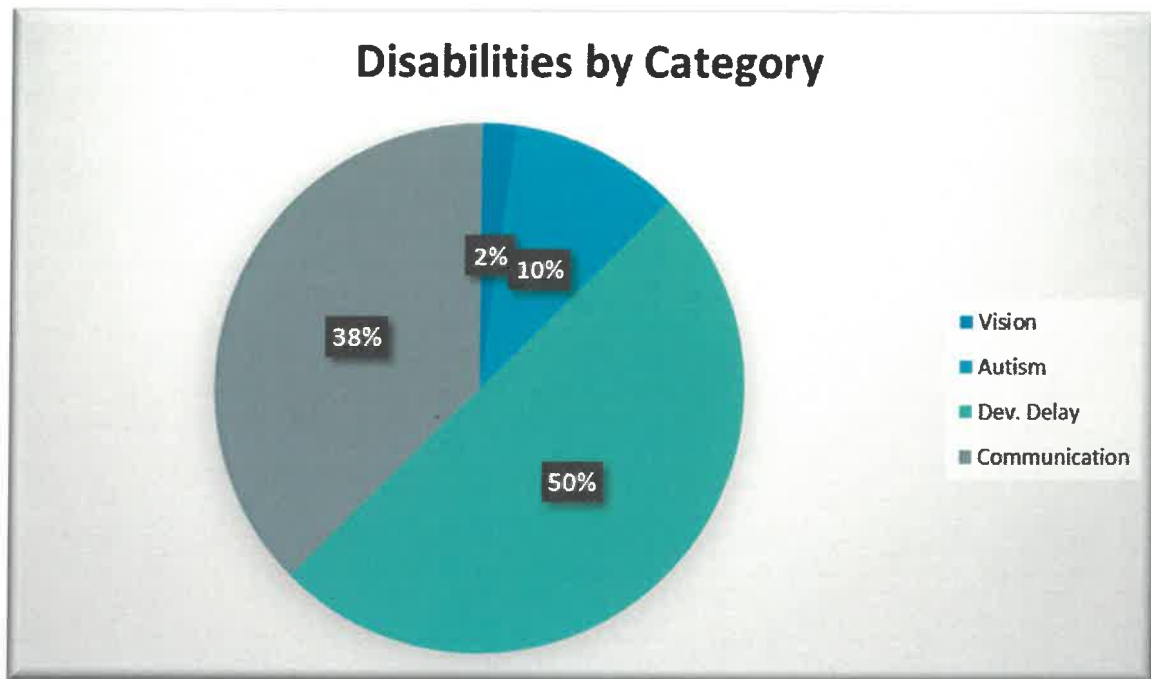
- Teachers want more training in Pyramid Model practice.
- Children's file reviews and teacher interviews have been completed.
- Educator documentation in Child Plus, regarding behavioral concerns, could be more consistent and aligned.
- As noted in the Child Development section of this report, educators would benefit from professional development focused on developmentally appropriate milestones.
- Center Directors have varying levels of experience implementing Pyramid Model principles and practices.

### Looking Ahead:

- We have contracted with a consultant to provide a hybrid pilot of Pyramid Model training & coaching. Pre & post data will be collected.
- The hybrid pilot will serve as a model for our Community of Practice structure & content. The COP's will start in late fall.
- We will utilize the consultant to develop a skills training for Center Directors that will support them to integrate Pyramid Model approach into ongoing supervisions and to serve as a framework for classroom observations.
- The process and system for requesting behavioral health support will be revised and clarified.



## Individualization & Disability Services



### Key Findings:

- ◇ There are 5 children enrolled with autism. As of June 2019, there are 4 children currently enrolled who are awaiting appointments with a developmental pediatrician. We anticipate the number of children with an autism diagnosis will continue to grow and so will the families needing care for them.
- ◇ The children with autism share a diagnosis but display a spectrum of abilities that range from being pre-verbal to using language functionally. Most display sensory sensitivity of some kind and struggle socially and emotionally.
- ◇ All receive special education services through Lowell Public Schools. However, these services do not encompass the hours that families need care in order to work full time. Our program enables parents to access care beyond the typical school hours and schedule and supports their efforts toward self-sufficiency.

### Mid-year Effort Outcomes:

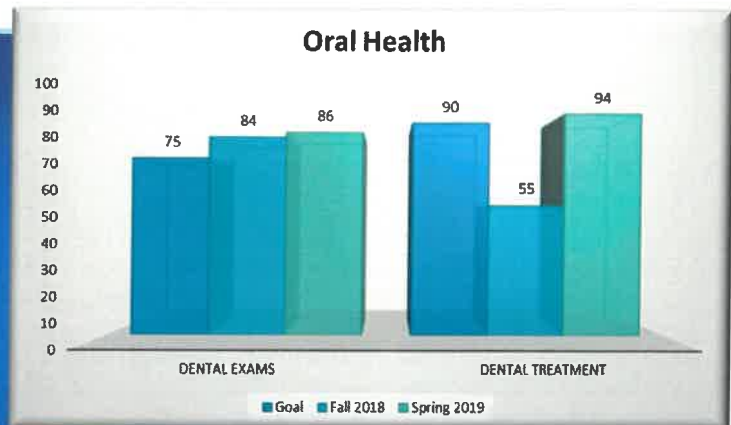
Our mid-year effort was to ensure that children who do not pass the developmental screening receive case management and follow-up.

	Early Head Start	Head Start
Failed	12	7
Referred	9	4
Will Be Referred	0 at this time	0 at this time
Need Case Management	3	2
Had Case Management	2	5

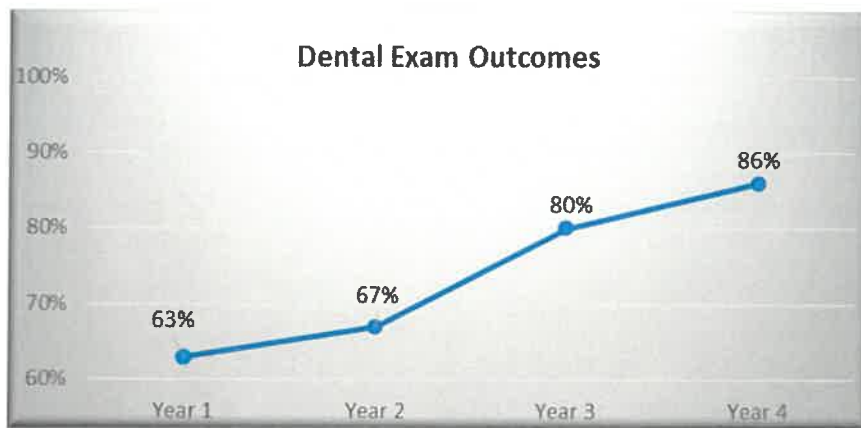
## Children's Oral Health

### Key Findings:

- With 86% of children being up-to-date on Oral Health Care, the program exceeded our goal of 75%. This is a 2% improvement over our Fall data.
- Out of those children 12% were diagnosed as needing further treatment. 94% of the children diagnosed as needing further treatment actually received the necessary treatment. This is a 39% increase from the Fall and the first time ever that we have been able to achieve our goal of 90% in this area. More than half of those that remain untreated are considered priority families.

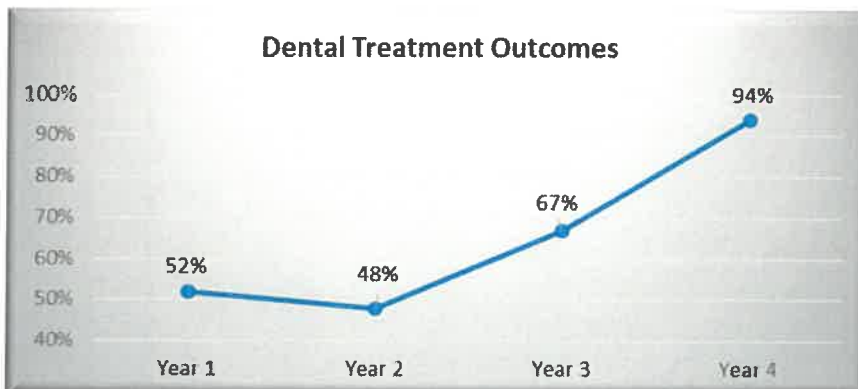


## Oral Health Outcomes Over Time



### Key Findings:

- Dental exam outcomes have shown continuous growth over the past four years. With an overall increase of 23%, this includes an increase of 13% from years 2 to 3.
- Successful completion of dental treatment has grown by 42%, with the most growth between years 3-4.



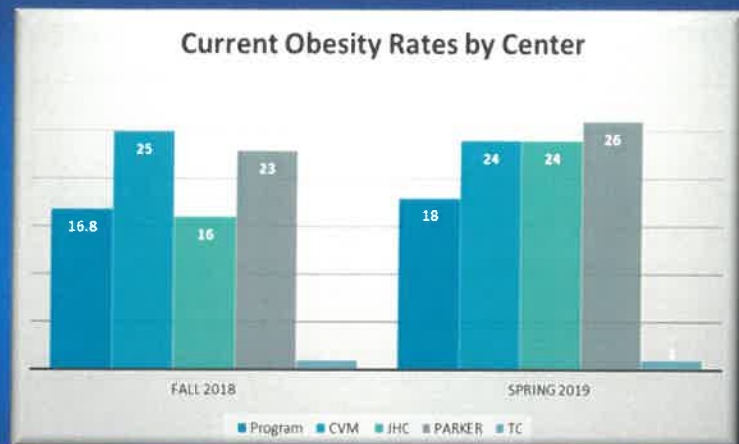
### Mid-Year Effort Outcomes:

We attribute both of these large increases to the strong focus on leadership follow-up at our newly created Collaborative Solutions and Innovations Meetings (CSI), the use of text messaging to communicate with families and Family Service newsletters that include health documentation.

## Children's BMI

### Key Findings:

- ◊ The program goal is for less than 15% of the children in the program to be considered obese. Currently the rate among our 2-5 year olds is at 18%. Our data is higher than the national and state averages.
- ◊ The increase in the percentage of children categorized as obese from Fall to Spring is simply enrollment based. This occurred due to the number of overall children who dropped from the program.
- ◊ Current data did not support a correlation between Child Development outcomes and obesity.



### Mid-Year Effort Outcomes

- A free farmer's market is now held at two sites from June-October and is open to all families.
- A nutrition curriculum and physical activity program were piloted in Pod A. The Health Promotion Tiger Team will analyze feedback from educator surveys to seek their opinions on the program. Throughout the summer, the team will develop systems to collect and analyze child outcome data in year 5 of the grant to enable us to assess the impact the curriculum has on the children and families.
- Staff participated in a Mindfulness workshop during our wellness focused professional development day. This workshop was facilitated by Ivy Child International. Knowledge gained will allow educators to introduce these new concepts, such as putting down utensils between bites, in their classrooms.
- Although, we were not awarded the Fallon Health or Head Start Garden Grants this year, we will continue to look for similar grant opportunities that will support our work to decrease our overall obesity percentage. These types of grants will help us support programs such as yoga and mindfulness in the classrooms, as well as on-site gardens.

## Children's Obesity Rates Overtime



### Key Findings and Next Steps:

- Obesity rates have increased 6% in the past 4 years. Rates are shown to be even higher for participants enrolled for multiple years.
- In the 2019/2020 program year, our Health & Safety Coordinator will attend the Health Literacy Institute in Maryland. Information gathered will support the implementation of more culturally appropriate health education materials. Our hope is to engage families in their child's healthy development at home as well as in school.
- During year five of our grant, we will collect BMI data on children more frequently throughout the year and will survey families on their current nutritional practices at home.
- UMass medical students will focus on obesity during their clerkship in the Fall.

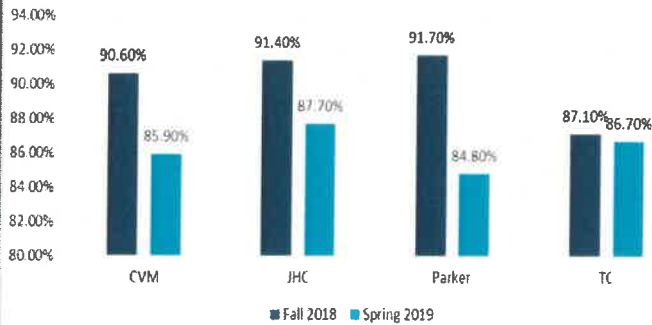


## Family Growth and Stability

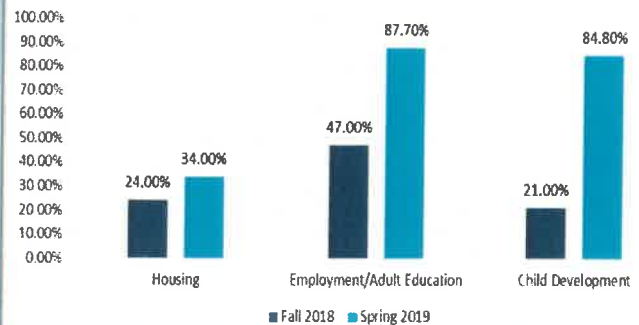
### Spring 2019 Program-Wide Average Daily Attendance Rate: 86.86%

### Parent, Family, and Community Engagement (PFCE)

Average Daily Attendance  
Fall 2018/ Spring 2019  
Comparison



Percentage of Families Identified as At-Risk or In-Crisis  
Fall 2018/Spring 2019  
Comparison



#### Goal 1: Children will attend school on a regular basis.

##### Key Findings:

As a program, we finished at 86% attendance for the 2018/2019 program year. For our mid-year efforts, families whose attendance dropped below the 85%, were asked to participate in a focused case management meeting where they worked closely with their Family Service Workers to better understand the importance of consistent attendance. These case management meetings also gave time and space to look into any barriers that may have been occurring in the family preventing that child from coming to school on a consistent basis. Family Service Workers also worked closely with the Department of Children and Families and the CTIHousing Department in order to keep open lines of communication and to support the aligned communication about the importance of consistent attendance. This also helped our community partners remain aware of specific barriers that families may have been experiencing. Attendance remains a focus, as the chart below shows that 33% of absences across the program are for the reason of staying home.

##### Median Program-wide Reasons for Absences

33%	Stayed Home
35.81%	Sick
9.66%	Transportation Issues
6.4%	Medical Appointments

#### Goal 2: Families will move towards self-sufficiency.

##### Key Findings:

The spring scales and ladders for:

- ◇ **Housing** shows that 34% of our families who were identified in-crisis/at-risk in the fall, have moved into the safe or stable category. We offered a CMS refresher training to the Family Development staff in January. This assisted with staff providing referrals for housing and housing searches. Family Development provided 59 housing assistance referrals this program year. We also had eleven homeless families acquire housing this year with our assistance.
- ◇ **Child Development** had 44% of families who were identified in-crisis/at-risk in the fall, have moved into a safe or stable category. We know that 424 families received parenting education this program year. Family Development Staff participated in a two day training in March, entitled Working with Multi-Stressed Families. Staff report that this gave them a new perspective on working with families that have multiple stressors in their lives. We also provided trainings on local resources. Staff went off-site to visit these resources so that they could better assist their families that may need to utilize them.
- ◇ **Employment and Adult Education** found that 38% of our families who were identified in-crisis/at-risk in the fall, moved into a safe or stable category. Family Development staff have provide resource and referrals to 37 families this program year. Eighty-five families were referred to ESOL classes within the community this program year. This supports families learning the English language then they will be able to pursue employment or formal education once they graduate from ESOL.

## Family Growth and Stability Continued

### Goal 3: Families will be ready to support their child's learning and engage in the long-term, life-long success of their child.

#### Key Findings:

- As of the Spring of 2019, our program has provided 99% of our Head Start families and 100% Early Head Start families with a needed service. Our goal is to provide 90% of our families with at least one service by June 2019.
- The highest service provided to date was Health Education. This was due to FSW's making a concerted effort to speak with parents about the importance of dental care, immunizations and when to keep a child home from school due to illness. The program has seen 86% of children up to date in dental care. This is a 2% increase from Fall of 2018. Each center also offered First Aid and CPR to their families. For the 2019-2020 program year, the Family Development staff will replicate this process with families on childhood obesity due to our obesity rate being 18% this program year.
- Parenting Education has maintained as the second highest service provided for both Head Start and Early Head Start. Many parents have been involved in monthly teen parent and focused case management meetings, as well as bimonthly parent committee meetings, see attendance numbers in the chart to the right. Our Brain Building Event this year was successful across all centers this Spring, with approximately 70% of all families attending these events. Each event had a child development/parenting education component to it. Due to our data collection of pre and post evaluations, we know that families feel the offerings we hold are having positive effect on their children's development. Pre and Post Questionnaires are being completed by parents at each event and then again four weeks after the event.
- The third highest service provided to Head Start families was emergency/crisis. FSW's discuss any crisis situations at enrollment, utilizing our pre-assessment. This year, the agency began utilizing Lyft for our families that need transportation services. This has been helpful for families that need transportation within the Lowell area for appointments, activities and emergency pick-ups for their children at school. We have seen an increase in attendance at Home Based Socializations and Parent Policy Council due to this new partnership with Lyft. Families are also more apt to attend Focused Case Management meeting when transportation is not a barrier for them.



#### Teen Parent Workshops and Parent Cafes Topics and (attendance) Spring 2019:

- Healthy Eating (15), Literacy (25), Kindergarten Information (55), Science (27), Stress Management (14), First Aid (16), Red Flag Development (3), Indoor Snow Play (6), Financial Literacy (4), DTA (5), Dealing with Holiday Stress (9)
- The pre and post family engagement survey data shows that families are:
  - ⇒ feeling more comfort to perform CPR on someone, if needed.
  - ⇒ reading to their children and visiting their local libraries more often. This is evidenced by the fact that our in-kind for parent volunteers increased from 2018 to 2019 by 13%.
  - ⇒ reporting that they are making healthier choices when food shopping.

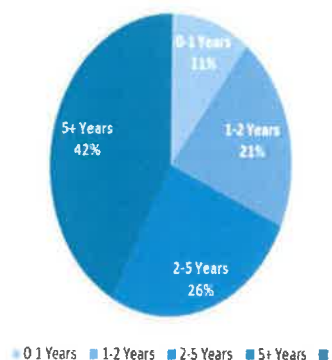
#### Mid-Year Effort Outcomes:

- Supervisors have been working with Family Development Staff on documentation of their work with families in Child Plus. It has been documented on monthly supervisions to ensure work and progress with families is being reflected appropriately.
- Family Development went to Catie's Closet and HGRM in Acton to learn about what these non-profits can offer to our families. Both of these agencies offer furniture, clothing, toiletries, and other household goods and appliances. FSW's/HV's have made several referrals to these organizations on behalf of their families since visiting their sites.

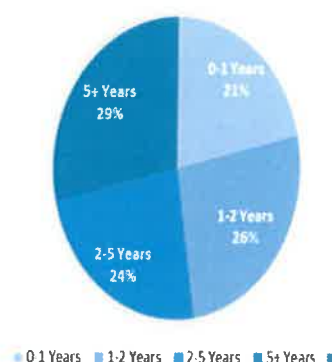


## Child Development Staff Information

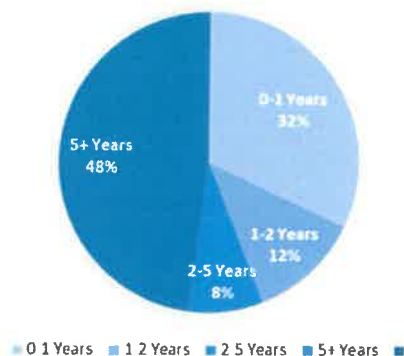
**Lead Teachers/Teachers  
Years of Service**



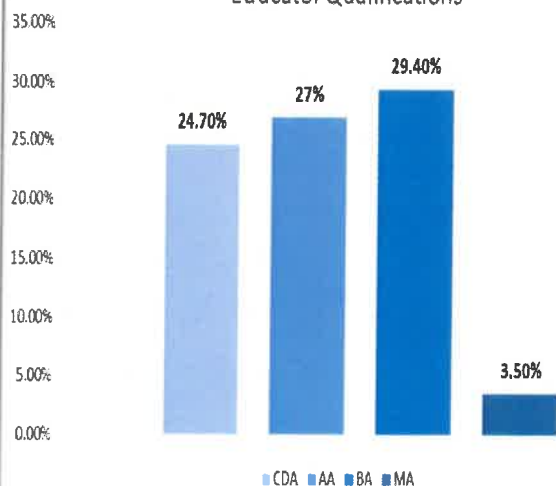
**Assistant Teachers  
Years of Service**



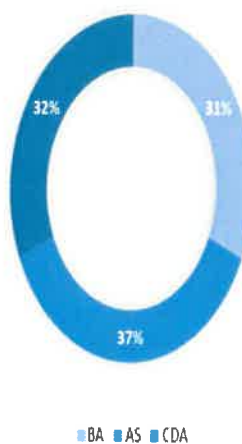
**Teacher Aides  
Years of Service**



**Educator Qualifications**



**Educators Currently Pursuing Degrees**



# ANSTISS

CERTIFIED  
PUBLIC  
ACCOUNTANTS

## Community Teamwork, Inc.

### Financial Statements

June 30, 2018 and 2017

AUDIT, TAX & ADVISORY SERVICES  
SINCE 1964

**Community Teamwork, Inc.**  
**Financial Statements**  
**June 30, 2018 and 2017**

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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, 2018 and 2017, 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, 2018 and 2017. Our report on those financial statements dated November 8, 2018 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 audits. We conducted our audits 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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Prior Period Adjustment***

As discussed in Note 17 to the financial statements, during the year ended June 30, 2018 it was determined that the risk of loss on uncollectible loans from the Home Modification Loan Program ("HMLP") remains with the HMLP funding source rather than Community Teamwork, Inc., therefore no allowance for uncollectible loans is considered necessary. Accordingly, unrestricted net assets have been restated as of June 2016, and notes receivable - net and unrestricted net assets have been restated as of June 30, 2017 to reflect this change. Our opinion is not modified with respect to that matter.

### ***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 (CFR) 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 November 8, 2018, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Teamwork, Inc.'s internal control over financial reporting and compliance.



Anstiss & Co., P.C.  
Lowell, MA  
November 8, 2018



**Community Teamwork, Inc.**  
**Statements of Financial Position**  
**June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 6,947,924	\$ 5,983,616
Short-term investment	30,109	-
Accounts receivable	3,661,966	3,353,461
Due from affiliates - net	549,688	537,161
Prepaid expenses and other current assets	367,846	381,385
Total current assets	<u>11,557,533</u>	<u>10,255,623</u>
Fixed assets		
Land, building and equipment - net	<u>9,950,030</u>	<u>10,132,250</u>
Other assets		
Notes receivable - net	4,793,560	4,674,286
Beneficial interest in assets held by GLCF	<u>176,568</u>	<u>159,946</u>
Total other assets	<u>4,970,128</u>	<u>4,834,232</u>
Total assets	<u><u>\$ 26,477,691</u></u>	<u><u>\$ 25,222,105</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 1,525,373	\$ 1,450,461
Accrued vacation	732,708	791,148
Notes payable	306,072	277,960
Advances on contracts	3,505,761	3,140,966
Other current liabilities	<u>1,798,677</u>	<u>1,669,871</u>
Total current liabilities	<u>7,868,591</u>	<u>7,330,406</u>
Long-term liabilities		
HMLP liability to CEDAC	6,655,506	6,038,629
Notes payable	5,488,932	5,781,076
Other long-term liabilities	<u>231,901</u>	<u>279,965</u>
Total long-term liabilities	<u>12,376,339</u>	<u>12,099,670</u>
Total liabilities	<u>20,244,930</u>	<u>19,430,076</u>
Net assets		
Unrestricted		
Undesignated net assets	3,100,569	2,723,128
Board-designated net assets	<u>577,032</u>	<u>406,942</u>
Total unrestricted net assets	<u>3,677,601</u>	<u>3,130,070</u>
Temporarily restricted	<u>2,555,160</u>	<u>2,661,959</u>
Total net assets	<u>6,232,761</u>	<u>5,792,029</u>
Total liabilities and net assets	<u><u>\$ 26,477,691</u></u>	<u><u>\$ 25,222,105</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, 2018 and 2017**

	Unrestricted	Temporarily Restricted	2018 Total	Unrestricted	Temporarily Restricted	2017 Total
<b>Revenue and Support</b>						
Contract revenue	\$ 83,112,851	\$ -	\$ 83,112,851	\$ 79,352,878	\$ -	\$ 79,352,878
Service fees, grants and contributions	6,988,553	-	6,988,553	6,421,509	-	6,421,509
Contribution - 0% interest financing	-	-	-	-	970,217	970,217
Other income	261,859	-	261,859	231,058	-	231,058
Rental income	154,775	-	154,775	167,616	-	167,616
Local revenue	13,147	-	13,147	14,692	-	14,692
Net assets released from restriction	107,281	(107,281)	-	112,766	(112,766)	-
Total revenue and support	90,638,466	(107,281)	90,531,185	86,300,519	857,451	87,157,970
<b>Expenses</b>						
Program services						
Housing and homeless services	49,962,381	-	49,962,381	48,396,368	-	48,396,368
Child and family services	22,657,352	-	22,657,352	21,292,335	-	21,292,335
Energy and community resources	12,736,356	-	12,736,356	11,282,548	-	11,282,548
Local initiative	691,837	-	691,837	687,753	-	687,753
Total program services	86,047,926	-	86,047,926	81,659,004	-	81,659,004
Supportive services						
Management and general	3,862,000	-	3,862,000	3,890,683	-	3,890,683
Fundraising	180,527	-	180,527	187,656	-	187,656
Total expenses	90,090,453	-	90,090,453	85,737,343	-	85,737,343
<b>Change in Net Assets from Operations</b>	548,013	(107,281)	440,732	563,176	857,451	1,420,627
<b>Other Net Asset Transfers</b>	(482)	482	-	(13,964)	13,964	-
<b>Change in Net Assets</b>	547,531	(106,799)	440,732	549,212	871,415	1,420,627
<b>Net Assets - Beginning of Year</b>						
as Previously Stated	3,130,070	2,661,959	5,792,029	2,410,858	1,790,544	4,201,402
<b>Prior Period Adjustment</b>				170,000	-	170,000
<b>Net Assets - Beginning of Year</b>	-	-	-	-	-	-
as Restated	3,130,070	2,661,959	5,792,029	2,580,858	1,790,544	4,371,402
<b>Net Assets - End of Year</b>	\$ 3,677,601	\$ 2,555,160	\$ 6,232,761	\$ 3,130,070	\$ 2,661,959	\$ 5,792,029

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

**Community Teamwork, Inc.**  
**Statements of Functional Expenses**  
**For the Years Ended June 30, 2018 and 2017**

	Housing and Homeless Services	Child, Family and Adolescent Services	Energy and Community Resources	Local Initiative	Total Program Services	Management and General	Fundraising	2018 Total
Client payments	\$ 41,266,487	\$ 5,130,297	\$ 10,033,645	\$ 6,916	\$ 56,437,345	\$ 178	\$ -	\$ 56,437,523
Salaries	3,750,824	9,678,212	1,575,433	398,153	15,402,622	1,855,225	54,825	17,312,672
Taxes and benefits	1,212,177	3,181,071	491,065	108,615	4,992,928	497,811	19,821	5,510,560
Contract services	2,138,650	543,114	173,122	34,452	2,889,338	321,997	41,257	3,252,592
Other expenses	531,809	1,799,803	104,309	37,153	2,473,074	290,668	29,356	2,793,098
Occupancy	636,989	1,263,606	97,414	71,473	2,069,482	197,672	305	2,267,459
Other administrative expenses	225,097	292,844	186,596	24,851	729,388	578,396	34,271	1,342,055
Depreciation	166,784	600,821	38,849	9,198	815,652	89,659	692	906,003
Interest expense	31,585	167,584	21,015	-	220,184	30,069	-	250,253
Consultants	1,979	-	14,908	1,026	17,913	325	-	18,238
Total expenses	\$ 49,962,381	\$ 22,657,352	\$ 12,736,356	\$ 691,837	\$ 86,047,926	\$ 3,862,000	\$ 180,527	\$ 90,090,453

	Housing and Homeless Services	Child, Family and Adolescent Services	Energy and Community Resources	Local Initiative	Total Program Services	Management and General	Fundraising	2017 Total
Client payments	\$ 40,106,079	\$ 4,825,425	\$ 8,535,585	\$ 4,189	\$ 53,471,278	\$ 5,000	\$ -	\$ 53,476,278
Salaries	3,494,862	9,096,150	1,502,572	409,363	14,502,947	2,010,185	51,410	16,564,542
Taxes and benefits	1,077,279	3,114,874	484,316	116,742	4,793,211	492,925	11,198	5,297,334
Contract services	2,214,329	523,200	283,675	4,453	3,025,657	397,106	38,115	3,460,878
Other expenses	407,073	1,453,638	111,466	25,011	1,997,188	266,006	28,456	2,291,650
Occupancy	655,456	1,227,465	103,770	84,384	2,071,075	181,668	-	2,252,743
Other administrative expenses	253,135	387,893	164,044	35,118	840,190	434,679	55,435	1,330,304
Depreciation	146,491	527,283	37,483	3,693	714,950	69,581	-	784,531
Interest expense	41,484	134,847	19,406	-	195,737	27,955	-	223,692
Consultants	180	1,560	40,231	4,800	46,771	5,578	3,042	55,391
Total expenses	\$ 48,396,368	\$ 21,292,335	\$ 11,282,548	\$ 687,753	\$ 81,659,004	\$ 3,890,683	\$ 187,656	\$ 85,737,343

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

**Community Teamwork, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows From Operating Activities</b>		
<b>Change in Net Assets</b>	\$ 440,732	\$ 1,420,627
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non-cash contributions - 0% Financing	-	(970,217)
Non-cash interest expense - 0% Financing	30,046	24,972
Depreciation	906,003	784,531
Bad debt expense	205,280	58
Loss on disposal of fixed assets	-	55,328
<i>Changes in Assets and Liabilities</i>		
(Increase) decrease in accounts receivable	(313,785)	1,276,590
(Increase) decrease in due from affiliates	(212,527)	108,176
Decrease in prepaid expenses	13,539	99,946
Increase in notes receivable	(119,274)	(230,506)
Increase in beneficial interest in assets held by GLCF	(16,622)	(7,448)
Increase in accounts payable	74,912	124,625
(Decrease) increase in accrued vacation	(58,440)	62,883
Increase (decrease) in advances on contracts	364,795	(795,367)
Increase in HMLP liability to CEDAC	616,877	373,583
Increase in other liabilities	80,742	154,952
Net Cash Provided by Operating Activities	<u>2,012,278</u>	<u>2,482,733</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of short-term investment	(30,109)	-
Redemption of short-term investment	-	10,257
Purchase of fixed assets and development property	(723,783)	(2,522,461)
Net Cash Utilized in Investing Activities	<u>(753,892)</u>	<u>(2,512,204)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from notes payable	-	3,193,000
Payments on notes payable	(294,078)	(1,019,217)
Net Cash (Used) Provided by Financing Activities	<u>(294,078)</u>	<u>2,173,783</u>
<b>Net Increase in Cash and Cash Equivalents</b>	964,308	2,144,312
<b>Cash and Cash Equivalents - Beginning</b>	5,983,616	3,839,304
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 6,947,924</u>	<u>\$ 5,983,616</u>
<b>Supplemental Data:</b>		
Interest paid	\$ 220,207	\$ 198,720
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

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



**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 1 – Organization**

Community Teamwork, Inc. (the “Organization”) was organized in the Commonwealth of Massachusetts as a not-for-profit organization. The Organization provides economic assistance, through Community Action Programs funded by various federal, state and local agencies, to eligible clients within its service area. 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 Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under the accrual method, income and expenses are recognized when earned or accrued. The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Basis of Presentation***

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standard Codification (“ASC”) 958-205, “Presentation of Financial Statements.” Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

***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.

***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, 2018 and 2017.

***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.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

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

***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, 2018 and 2017, there was an allowance for doubtful accounts of approximately \$131,000 and \$214,000, respectively.

***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, 2018 and 2017.

***Classification of Net Assets***

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets

Unrestricted net assets consist of net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of 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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. It is the Organization's policy to record temporarily restricted contributions whose restrictions were met in the same reporting period as unrestricted support in accordance with ASC 958-605 "Revenue Recognition."

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

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

***Classification of Net Assets (continued)***

**Permanently Restricted Net Assets**

Permanently restricted net assets consist of net assets subject to donor-imposed stipulations that they be maintained permanently by 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 specific purposes. As of June 30, 2018 and 2017, the Organization had no permanently restricted net assets.

***Board-Designated Net Assets***

Board-designated net assets consist of funds that the board of directors has designated as replacement reserves for maintenance of several properties owned by the Organization.

***Revenue and Expenses***

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.

***Donated Services***

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

***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.

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 unrelated business income taxes and will continue to qualify as a tax-exempt not-for-profit entity.

***Expense Allocation***

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 includes 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.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

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

***Reclassifications***

During 2018, certain amounts from the prior year financial statements were reclassified to conform to the current year's presentation.

***Recent Accounting Pronouncements***

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, 2019. The Organization is currently evaluating the effect that ASU 2016-02 will have on the financial statements.

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Presentation of Financial Statements for Not-for-Profit Entities". ASU 2016-14 will change the way not-for-profit entities classify net assets and prepare financial statements. Under the new standard, the three existing classes of net assets (unrestricted, temporarily restricted, and permanently restricted) will now become two classes: Net assets without donor restrictions, and Net Assets with donor restrictions. ASU 2016-14 requires enhanced reporting of liquidity information, performance measures, investment expenses, functional expenses, and cash flow information. This standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Organization is currently evaluating the effect that ASU 2016-14 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.

**Note 3 – Fixed Assets**

Fixed assets consisted of the following as of June 30, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
Land	\$ 1,352,123	\$ 1,352,123
Buildings and improvements	12,747,014	12,465,380
Equipment	3,250,805	2,808,657
Total Fixed assets	17,349,942	16,626,160
Less: Accumulated depreciation	(7,399,912)	(6,493,910)
Fixed assets – net	<u>\$9,950,030</u>	<u>\$10,132,250</u>

Depreciation expense was \$906,003 and \$784,531 for the years ended June 30, 2018 and 2017, 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, 2018 and 2017**

**Note 4 – Capital Lease Obligations**

The Organization leases buses under multiple capital lease agreements. The buses have been recorded at an estimated fair value of \$896,132 and \$730,142 as of June 30, 2018 and 2017, respectively, and are being depreciated over their estimated useful lives of 5 years. As of June 30, 2018 and 2017, accumulated depreciation on the buses was \$505,472 and \$320,845, respectively.

As of June 30, 2018 and 2017, the current and long-term portions of the capital lease liabilities were as follows:

	<u>2018</u>	<u>2017</u>
Current portion of capital lease liabilities	\$ 189,309	\$ 157,247
Long-term portion of capital lease liabilities	231,901	279,965
Total capital lease liabilities	<u>\$ 421,210</u>	<u>\$ 437,212</u>

As of June 30, 2018, the Organization had future minimum capital lease commitments as follows with imputed interest rates ranging from 3.22% to 5.25%:

	<u>Total Payment</u>	<u>Imputed Interest</u>	<u>Lease Liability</u>
2019	\$ 205,244	\$ 15,935	\$ 189,309
2020	\$ 121,095	\$ 8,743	\$ 112,352
2021	\$ 78,247	\$ 4,289	\$ 73,958
2022	\$ 40,743	\$ 1,387	\$ 39,356
2023	\$ 6,276	\$ 41	\$ 6,235

**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 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 carry annual interest rates of 0% or 3%. The majority of the loans are interest-free, with repayment required when the property is sold or the title is transferred. The 0% and 3% amortized loans require monthly payments, with payment terms between 5 and 15 years depending on the loan amount. In November 2017, CEDAC announced that the 0% and 3% amortized loan programs have been discontinued, and the maximum loan amount has been raised from \$30,000 to \$50,000 with the interest-free principal balance due upon the sale of the related property.

The outstanding balance of the HMLP loan pool at June 30, 2018 and 2017 was \$4,623,251 and \$4,439,837, 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.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 5 – Notes Receivable (continued)**

As of June 30, 2018 and 2017, the HMLP liability to CEDAC was as follows:

	<b>2018</b>	<b>2017</b>
HMLP restricted cash	\$ 2,032,255	\$ 1,598,792
HMLP loans receivable	4,623,251	4,439,837
HMLP liability to CEDAC	<u>\$ 6,655,506</u>	<u>\$ 6,038,629</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 unrestricted support 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, 2018, the Organization has transferred \$115,680 to the GLCF and has received distributions of \$31,903. There were no contributions to the fund during the years ended June 30, 2018 and 2017. Funds in the amount of \$7,523 was distributed from the fund during the year ended June 30, 2017. There were no funds disbursed during the year ended June 30, 2018. 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, 2018 and 2017, the Organization's beneficial interest in the funds held by GLCF was \$176,568 and \$159,946, respectively. Net gains (losses) attributed to the fund (including realized and unrealized gains and losses, interest and dividend income and administration fees) amounting to \$16,622 and \$14,971 for the years ending June 30, 2018 and 2017, respectively, have been included in the statements of activities.

**Note 7 – Line of Credit**

The Organization maintained a line of credit at Enterprise Bank and Trust Company in the amount of \$2,000,000 for each of the years ended June 30, 2018 and 2017. The interest rate applied to the outstanding principal balance is 1% above the prime rate (6% at June 30, 2018 and 5.25% at June 30, 2017). 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, 2018 and 2017.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 8 – Notes Payable**

	<u>2018</u>	<u>2017</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, and 30,500. The first note is payable in 120 monthly installments at an interest rate of 4.46%. 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 4.59%. The fourth note is payable in 120 monthly installments at an interest rate of 4.25%. The fifth note is payable in 120 monthly installments at an interest rate of 4.34%. The sixth note is payable in 60 monthly installments at an interest rate of 4.75%. All six notes are secured by the related properties.	\$ 3,212,673	\$ 3,432,598
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.	1,453,296	1,476,919
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 23, 2042, and September 30, 2046 (for both Note C and D), respectively. Note A has been reduced by \$158,675, Note B has been reduced by \$529,144, and Note C and D have been reduced by \$944,688 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>(1,632,507)</u>	<u>(1,662,553)</u>
Total - net of deferred interest expense	566,715	536,669

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 8 – Notes Payable (continued)**

	<u>2018</u>	<u>2017</u>
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 in 28 monthly installments at an interest rate of 5%. 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.	286,645	292,047
Notes payable to the Small Business Administration to fund a microloan program in the original principal amounts of up to \$400,000. 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 years, with the balance of the first note payable in 108 monthly installments and the balance of the second noted payable in 98 monthly installments.	275,675	320,803
Total Notes Payable	5,795,004	6,059,036
Less: Current Portion of Notes Payable	(306,072)	(277,960)
Long-Term Portion of Notes Payable	<u>\$ 5,488,932</u>	<u>\$ 5,781,076</u>

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

2019	\$ 306,072
2020	316,856
2021	328,342
2022	336,672
2023	345,326
Thereafter	<u>5,794,243</u>
Total	7,427,511
Less: Deferred Interest Expense	<u>(1,632,507)</u>
Total – Net of Deferred Interest Expense	<u>\$ 5,795,004</u>



**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 9 – Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following as of June 30<sup>th</sup>:

	<u>2018</u>	<u>2017</u>
Interest-free debt	\$ 1,632,507	\$ 1,662,553
Phoenix Avenue Building – <i>Property located in Lowell, MA to be used for “Head Start” program activities.</i>	551,910	629,145
Contract and grant funds – <i>Funding restricted as to purpose for use in specific program activities.</i>	<u>370,743</u>	<u>370,261</u>
Total temporarily restricted net assets	<u>\$ 2,555,160</u>	<u>\$ 2,661,959</u>

Additional loans made through the Microloan Program and capitalized improvements to the Phoenix Avenue property are reported as Other Net Asset Transfers on the Statement of Activities.

**Note 10 – 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, 2018 and 2017, the value of food vouchers provided to WIC recipients was recorded as contract revenue and client payments at amounts of \$2,166,617 and \$2,231,454.

**Note 11 – 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, 2018 and 2017 was \$154,775 and \$167,616, respectively.

As of June 30, 2018, minimum future rentals on non-cancelable operating leases are as follows:

2019	\$ 127,231
2020	\$ 130,412
2021	\$ 133,672

**Note 12 – 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 \$1,200,843 and \$1,311,564 for the years ended June 30, 2018 and 2017, respectively.

As of June 30, 2018, the Organization had minimum operating lease commitments as follows:

2019	\$ 973,124
2020	\$ 840,820
2021	\$ 837,247
2022	\$ 857,515
2023	\$ 717,522
Thereafter	\$ 957,138

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 13 – 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 \$740,294 and \$628,313 for the years ended June 30, 2018 and 2017, respectively.

**Note 14 – 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 \$250,253 and \$223,692 during the years ended June 30, 2018 and 2017, respectively. No interest was capitalized during either of the years ended June 30, 2018 and 2017.

**Note 15 – 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 \$12,142,647 and \$12,230,803 for the years ended June 30, 2018 and 2017, 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, 2018.

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.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 16 – 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.

The Organization leases a building located at 167 Dutton St. in Lowell, MA from Mechanics Hall Corporation ("MHC"). Rent expense under this lease was \$74,362 and \$73,630 for the years ended June 30, 2018 and 2017, respectively. MHC incurred management fees totaling \$2,469 and \$1,975 during the years ended June 30, 2018 and 2017, respectively, for the payroll and related expenses of the Organization's employees who performed services on behalf of MHC. As of June 30, 2018 and 2017, MHC's liability to the Organization was \$199,129 and \$163,503, respectively.

The Organization provides management services to Merrimack Valley Housing Services, Inc. ("MVHS"). MVHS incurred reimbursable expenses totaling \$19,855 and \$11,317 during the years ended June 30, 2018 and 2017, for the payroll and related expenses of the Organization's employees who performed services on behalf of MVHS. As of June 30, 2018 and 2017, the MVHS's liability to CTI was \$5,418 and \$1,480 respectively.

The Organization advances funds to Community Housing, Inc. ("CHI") to pay for operating expenses and administrative support. The Organization incurred reimbursable expenses totaling \$22,917 and \$20,694 during the years ended June 30, 2018 and 2017, respectively, for the payroll and related expenses of the Organization's employees who performed services on behalf of CHI. As of June 30, 2018 and 2017, the Organization's accounts receivable included amounts due from CHI of \$16,253 and \$7,092, 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 \$226,500 and \$232,018 during the years ended June 30, 2018 and 2017, respectively, for the payroll and related expenses of the Organization's employees who performed services on behalf of CGDC. As of June 30, 2018 and 2017, the Organization's accounts receivable included amounts due from CGDC of \$328,005 and \$365,061, respectively. During the year ended June 30, 2018, the Organization forgave \$200,000 of receivables due from CGDC. There was no such forgiveness during the year ended June 30, 2017. During the year ended June 30, 2017, the Organization paid a developer fee of \$92,000 to CGDC. There was no developer fee paid to CGDC during the year ended June 30, 2018.

The Organization provides management services to StonyBrook I Housing Services, Inc. ("SB1"). During the year ended June 30, 2018, SB1 incurred expenses totaling \$2,592 for the payroll and related expenses of the Organization's employees who performed services on behalf of the SB1. There were no expenses incurred for the payroll and related expenses of the Organization's employees who performed services on behalf of the Organization during the period ended June 30, 2017. As of June 30, 2018, the Organization's account receivable included amounts due from SB1 of \$417. There was no balance receivable from SB1 as of June 30, 2017.

**Community Teamwork, Inc.**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 17 – Prior Period Adjustment**

During the year ended June 30, 2018, it was determined that the risk of loss on uncollectible loans from the Home Modification Loan Program ("HMLP") remains with the HMLP funding source, Community Economic Development Assistance Corporation ("CEDAC"), rather than with the Organization, therefore no allowance for uncollectible loans from this program is considered necessary. Accordingly, unrestricted net assets have been restated as of June 2016, and notes receivable - net and unrestricted net assets have been restated as of June 30, 2017 to reflect this change.

As of June 30, 2016, the following amounts have been restated:

	<u>As Previously Stated</u>	<u>Adjustment</u>	<u>As Restated</u>
Statement of activities:			
Unrestricted net assets	\$ 2,410,858	\$ 170,000	\$ 2,580,858

As of June 30, 2017, the following amounts have been restated:

	<u>As Previously Stated</u>	<u>Adjustment</u>	<u>As Restated</u>
Statement of financial position:			
Notes receivable - net	\$ 4,504,286	\$ 170,000	\$ 4,674,286
Unrestricted net assets	\$ 2,960,070	\$ 170,000	\$ 3,130,070

**Note 18 – 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, 2018 through November 8, 2018, 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, 2018**

	<b>Federal Voucher</b>	<b>MRVP</b>	<b>Moderate Rehab</b>	<b>AHVP</b>	<b>FSS</b>	<b>811 Rental Assistance</b>	<b>Total</b>
<b>Assets</b>							
Cash and cash equivalents	\$ 4,176,899	\$ 862,349	\$ 184,403	\$ 38,440	\$ -	\$ -	\$ 5,262,091
Accounts receivable	85,409	-	3,733	-	19,803	-	108,945
Prepaid expense	9,044	178	-	-	-	-	9,222
<b>Total assets</b>	<b>\$ 4,271,352</b>	<b>\$ 862,527</b>	<b>\$ 188,136</b>	<b>\$ 38,440</b>	<b>\$ 19,803</b>	<b>\$ -</b>	<b>\$ 5,380,258</b>
<b>Liabilities and Net Assets</b>							
Accounts payable and other liabilities	\$ 120,485	\$ 2,051	\$ 1,808	\$ -	\$ 40,648	\$ -	\$ 164,992
Advances on contracts	2,398,559	666,214	11,999	7,014	-	-	3,083,786
<b>Total liabilities</b>	<b>2,519,044</b>	<b>668,265</b>	<b>13,807</b>	<b>7,014</b>	<b>40,648</b>	<b>-</b>	<b>3,248,778</b>
Net assets	1,752,308	194,262	174,329	31,426	(20,845)	-	2,131,480
<b>Total liabilities and net assets</b>	<b>\$ 4,271,352</b>	<b>\$ 862,527</b>	<b>\$ 188,136</b>	<b>\$ 38,440</b>	<b>\$ 19,803</b>	<b>\$ -</b>	<b>\$ 5,380,258</b>

**Community Teamwork, Inc.**  
**Housing Programs - DHCD**  
**Supplemental Schedule of Program Revenues, Expenses and Changes in Net Assets**  
**June 30, 2018**

	<b>Federal Voucher</b>	<b>MRVP</b>	<b>Moderate Rehab</b>	<b>AHVP</b>	<b>FSS</b>	<b>811 Rental Assistance</b>	<b>Total</b>
<b>Revenues</b>							
Federal HAP	\$ 26,147,221	\$ -	\$ 124,620	\$ -	\$ 116,291	\$ 31,157	\$ 26,419,289
DHCD HAP	-	7,087,578	-	39,601	-	-	7,127,179
Federal Admin	2,084,304	-	32,911	-	-	2,275	2,119,490
DHCD administration	-	297,400	-	2,520	-	-	299,920
Subcontract revenue	-	182,664	-	-	-	-	182,664
<b>Total revenues</b>	<b>28,231,525</b>	<b>7,567,642</b>	<b>157,531</b>	<b>42,121</b>	<b>116,291</b>	<b>33,432</b>	<b>36,148,542</b>
<b>Expenses</b>							
Housing payments	26,178,396	7,096,793	124,620	39,601	-	25,394	33,464,804
Salaries	922,381	124,083	7,284	1,287	84,896	-	1,139,931
Taxes and fringe	321,446	46,962	2,644	618	31,395	-	403,065
Administrative support	186,570	24,521	2,297	-	-	-	213,388
Indirect	190,283	25,309	1,467	229	13,955	-	231,243
Occupancy	195,306	4,096	-	-	-	-	199,402
Program support	54,585	195,895	-	-	-	-	250,480
<b>Total expenses</b>	<b>28,048,967</b>	<b>7,517,659</b>	<b>138,312</b>	<b>41,735</b>	<b>130,246</b>	<b>25,394</b>	<b>35,902,313</b>
<b>Change in Net Assets</b>	<b>182,558</b>	<b>49,983</b>	<b>19,219</b>	<b>386</b>	<b>(13,955)</b>	<b>8,038</b>	<b>246,229</b>
<b>Beginning Net Assets</b>	<b>1,569,750</b>	<b>144,279</b>	<b>155,110</b>	<b>31,040</b>	<b>(6,890)</b>	<b>(6,702)</b>	<b>1,886,587</b>
<b>Other Net Assets Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,336)</b>	<b>(1,336)</b>
<b>Ending Net Assets</b>	<b>\$ 1,752,308</b>	<b>\$ 194,262</b>	<b>\$ 174,329</b>	<b>\$ 31,426</b>	<b>\$ (20,845)</b>	<b>\$ -</b>	<b>\$ 2,131,480</b>

**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, 2018, 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 November 8, 2018.

**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) to determine the 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 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Anstiss & Co., P.C.  
Lowell, MA  
November 8, 2018

## **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, 2018. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2018.

## 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Anstiss & Co., P.C.  
Lowell, MA  
November 8, 2018



**Community Teamwork, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

**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:

CFDA Number(s)	Name of Federal Program or Cluster
14.881	Moving to Work Demonstration Program

Dollar threshold used to distinguish between type A and type  
B programs: \$1,772,768

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**Section II – Financial Statement Findings**

No matters were reported.

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

No matters were reported.

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

	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		\$ 454,360
<b>Pass-through -- City of Lowell</b>				
Community Development Block Grant/Entitlement Grants	14.218	18005520-00 32770351-00 18005493-00 18005519-00 18005518-00 18005922-00		6,300 34,881 7,600 6,300 7,600 42,800 105,481
<b>Total Community Development Block Grant/Entitlement Grants</b>				
<b>Pass-through -- Commonwealth of Massachusetts</b>				
Supportive Housing for Persons with Disabilities (Section 811)	14.181	SCOCD264218699017MS5		104,246
Emergency Shelter Grants Program	14.231	OCD800016FMESG622121		116,841
Continuum of Care Program	14.267	OCD810015FGBSGRANT10 OCD810016FNSTGRANT10 OCD810017FNSTGRANT10 OCD810016FGBSGRANT10 OCD810016FJULGRANT10		4,020 136,319 11,133 52,392 83,537 287,401
<b>Total - Continuum of Care Program</b>				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	SCOCD264018699019MRB		165,309

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

	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>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	SCOCD264018699014HCV SCOCD264118699016FUP		1,301,053 256,252 <u>1,557,305</u>
Total Housing Voucher Cluster				
* Moving to Work Demonstration Program	14.881	SCOCD264518699015MTW		26,550,088
Financial Self Sufficiency Program	14.896	SCOCD264018699021FSS		116,199
<u>Pass-through -- Justice Resource Institute</u>				
Housing Opportunities for Persons with AIDS	14.241	MA-H160011 MA-H15F003 MA-H160011		87,531 80,652 67,323 <u>235,506</u>
Total - Housing Opportunities for Persons with AIDS				
Total U.S. Department of Housing and Urban Development				29,692,736
<b>U.S. Department of Health and Human Services</b>				
Head Start	93.600	01CH10243-02 01CH10243-03		2,225,726 5,125,542 <u>7,351,268</u>
Total Head Start				
Assets for Independence Demonstration Program	93.602	90E10813-01-01		162

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

<b>U.S. Department of Health and Human Services (continued)</b>					
<u>Pass-through -- Commonwealth of Massachusetts</u>					
Low-Income Home Energy Assistance					
CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures		
93.568	POOCD44001857LIHP160		7,418,950		
	SCOCD44001857HW08000		392,649		
	SCOCD44001758HW08000		85,754		
	POOCD44001758LIHP160		822,787		
Total Low-Income Home Energy Assistance			8,720,140		
Community Services Block Grant					
93.569	SCOCD42001760BG11000		155,240		
	SCOCD42001860BG11000		373,333		
Total Community Services Block Grant			528,573		
Temporary Assistance for Needy Families					
93.558	2018FLEXPOOLINCOMEEL		122,139		
	2018PRIORPORSUPPMA01		410,800		
	2018TEENCONTFLEXPOOL		2,200		
	300010COMMUNITY08IE		1,794,750		
	3100COMMUNITYTEAPPSP		462,490		
	3200COMMUNITYTEAPPTN		132,836		
	3300COMMUNITYTEAPPHL		215,000		
	400010COMMUNITYT1IE		424,312		
Total Temporary Assistance for Needy Families			38,426		
			3,602,953		

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

**U.S. Department of Health and Human Services (continued)**  
Pass-through -- Commonwealth of Massachusetts (continued)

**CCDF Cluster**

**Child Care Development Block Grant**

CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
93.575	2018FLEXPOOLINCOMEEL 2018PRIORPORSUPPMA01 2018TEENCONTFLEXPOOL 300010COMMUNITY08IE 3100COMMUNITYTEAPPSP 3200COMMUNITYTEAPPSTN 3300COMMUNITYTEAPPHL 400010COMMUNITYT11IE 4100COMMUNITYTEAPPSP		7,735 619,294 139 113,658 697,216 8,412 13,616 26,871 57,928 <u>1,544,869</u>

**Total Child Care Development Block Grant**

**Child Care Mandatory and Matching Funds  
of the Child Care and Development Fund**

93.596	2018FLEXPOOLINCOMEEL 2018PRIORPORSUPPMA01 2018TEENCONTFLEXPOOL 300010COMMUNITY08IE 3100COMMUNITYTEAPPSP 3200COMMUNITYTEAPPSTN 3300COMMUNITYTEAPPHL 400010COMMUNITYT11IE 4100COMMUNITYTEAPPSP		16,601 349,392 299 243,942 393,354 18,055 29,223 57,672 32,681
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**Total Child Care Mandatory and Matching Funds  
of the Child Care and Development Fund**

1,141,219

**Total CCDF Cluster**

2,686,088

**Total U.S. Department of Health and Human Services**

22,889,184

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Community Foods Project	10.225	30143380022325	105,964	109,934
<u>Pass-through -- Commonwealth of Massachusetts</u>				
Special Supplemental Nutrition Program for Women, Infants, and Children (Note 3)	10.557	INTF3502M03162726100 INTF3500J10200717294		738,590 2,166,617 2,905,207
Total Women, Infants, and Children				
National School Lunch Program	10.555	SCDOE18758A70532112B		515,021
Child and Adult Care Food Program	10.558	SCDOE18758C70532117A SCDOE18758E70532117A SCDOE18758G70532117A SCDOE18758J70532117A		684 1,413 155,935 2,110 160,142
Total Child and Adult Care Food Program				
WIC Grants to States (WGS)	10.578	INTF3502M03162726100		1,849
Total Department of Agriculture			105,964	3,692,153
<b>Department of Education</b>				
Fund for the Improvement of Education	84.215	17005165-00 17003759-00 18003746-00		3,274 39,537 95,358 138,169
Total Fund for the Improvement of Education				
Preschool Development Grants	84.419	17002135-00 18002816-00		224,187 1,089,372 1,313,559
Total Department of Education				1,451,728



**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>Corporation for National and Community Service</b>				
Retired and Senior Volunteer Program	94.002	17SRAMA001		60,882
Foster Grandparent / Senior Companion Cluster				
Foster Grandparent Program	94.011	16SFAMA003		174,806
Senior Companion Program	94.016	16SCAMA002		272,271
Total Foster Grandparent/Senior Companion Cluster				447,077
<u>Pass-through -- Youthbuild U.S.A.</u>				
Americorps	94.006	16NDHMA0010043		96,970
Total Corporation for National and Community Service				604,929
<b>Department of Labor</b>				
Youthbuild	17.274	YB-26186-14-60-A-25 YB-31040-17-60-A-25		77,957 250,665 328,622
Total Youthbuild				
Youthbuild - WIOA	17.259	18002159-00		40,825
Total Department of Labor				369,447
<b>Department of the Interior</b>				
Conservation Activities by Youth Service Organizations	15.931	P14AC00340		161,767
Total Department of the Interior				161,767

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Justice</b>				
<u>Pass-through -- Youthbuild U.S.A.</u>				
Juvenile Mentoring Program	16.726	2016-JU-FX-0011 2014-JU-FX-0022		52,659 26,775 <u>79,434</u>
Total Juvenile Mentoring Program				
Total Department of Justice				<u>79,434</u>
<b>Department of Homeland Security</b>				
Emergency Food and Shelter National Board Program	97.024	451000-021		<u>75,000</u>
Total Department of Homeland Security				<u>75,000</u>
<b>Department of Energy</b>				
<u>Pass-through -- Greater Lawrence Community Action Council, Inc.</u>				
Weatherization Assistance for Low-Income Persons	81.042	MOU		<u>54,277</u>
Total Department of Energy				<u>54,277</u>
<b>Small Business Administration</b>				
Technical Assistance	59.046	SBAHQ-17-Y-0076		<u>17,052</u>
Total Small Business Administration				<u>17,052</u>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of the Treasury</b>				
Pass-through -- Massachusetts Association for Community Action				
Volunteer Income Tax Assistance (VITA)	21.009			
Matching Grant Program		MOU		4,573
Total Department of the Treasury				4,573
<b>Total Expenditures of Federal Awards</b>			<b>\$ 105,964</b>	<b>\$ 59,092,280</b>

**Community Teamwork, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

**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, 2018. 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, 2018, the value of food vouchers provided to WIC recipients was \$2,166,617.

\* Major Program