

OFFICE OF PERFORMANCE MANAGEMENT & OVERSIGHT

FISCAL 2014 ANNUAL REPORT GUIDANCE

The Office of Performance Management & Oversight (OPMO) measures the performance of all public and quasi-public entities engaged in economic development. All agencies are required to submit an Annual Report demonstrating progress against plan and include additional information as outlined in [Chapter 240 of the Acts of 2010](#).

The annual reports of each agency will be published on the Office of Performance Management [website](#), and will be electronically submitted to the clerks of the Senate and House of Representatives, the Chairs of the House and Senate Committees on Ways and Means and the House and Senate Chairs of the Joint Committee on Economic Development and Emerging Technologies.

Filing Instructions:

The Fiscal Year 2014 report is due no later than **Friday, October 3, 2014**. An electronic copy of the report and attachments A & B should be e-mailed to James.Poplasky@MassMail.State.MA.US

1) AGENCY INFORMATION

Agency Name	Community Economic Development Assistance Corporation (CEDAC)
Agency Head	Roger Herzog
Title	Executive Director
Website	www.cedac.org
Address	One Center Plaza, Suite 350, Boston, MA 02108

2) MISSION STATEMENT

Please include the Mission Statement for your organization below.

CEDAC is a public-private community development finance institution that provides financial resources and technical expertise for community-based and other non-profit organizations engaged in effective community development in Massachusetts. CEDAC's work supports three key building blocks of community development: affordable housing, workforce development, and early care and education. CEDAC is also active in national housing preservation policy research and development and is widely recognized as a leader in the non-profit community development industry. For additional information on CEDAC and their current projects, please visit www.cedac.org.

3) PERFORMANCE AGAINST PLAN REPORT

Please provide details on the progress and accomplishments for Fiscal Year 2014 as it relates to the Fiscal Year 2014 Plan submitted by your agency. Plans are posted on the OPMO [website](#) for easy reference. This information should be included as **Attachment A and should include prior year perspective**. In addition to your Performance to Plan Report, Questions 4 through 10 provides guidance on the specific information required under Chapter 240 of the Acts of 2010.

4) ACCOUNTING

Please provide financial information for your agency. Below please give a summary of *Receipts and Expenditures* during the fiscal year, and include the *Assets and Liabilities* at the end of the fiscal year. Please include the most recent audited financial report for the agency as **Attachment B**.

	AMOUNT	
Receipts	\$3,641,446	
Expenditures	\$3,707,413	
Assets	\$79,235,096	
Liabilities	\$67,994,287	

5) INVESTMENTS OR GRANTS TO BUSINESSES OR INDIVIDUALS

Does your agency make **investments** and/or provide **grants** to businesses or individuals? Yes No

If **Yes**, please provide detailed information on investments and/or grants made during FY14 in the **Performance Against Plan Report – Attachment A** section of this report. Information should include the number, nature and amounts of investments made and grants awarded by your agency along with job, investment and/or other economic development impact. Please list the name(s) of the investment and/or grant programs offered by your agency in the space provided below:

CEDAC provides grants to non-profit organizations engaged in tenant organizing activities in Boston. Through our affiliate, the Children’s Investment Fund, CEDAC awards small grants to early education and out of school time providers to fund capital improvements.

6) DEBT OR EQUITY INVESTMENT DETAILS

Is your agency involved in **debt** or **equity investments** for businesses? Yes No

If **Yes**, please provide detailed information on debt and/or equity investments made during FY14 in the **Performance Against Plan Report – Attachment A** section of this report along with job, investment and/or other economic development impact. Please list the name(s) of the debit and/or equity investments programs

offered by your agency in the space provided below:

N/A

7) LOAN DETAILS

Is your agency involved in **real estate loans, working capital loans, or any other type of loan or guarantee?** Yes No

If **Yes**, please provide detailed information on loan(s) and/or guarantee(s) made during FY14 in the **Performance Against Plan Report – Attachment A** section of this report along with job, investment and/or other economic development impact. Please list the types of loan(s) and/or guarantee(s) offered by your agency in the space provided below:

CEDAC finances early stage capital needs for housing development activity by non-profit community based organizations in the form of predevelopment loans to finance project soft costs, and site acquisition loans to help non-profits gain site control.

8) OTHER FORMS OF FINANCING OR FINANCIAL ASSISTANCE?

If your agency provides any other form of financing or financial assistance, please include FY14 details in the **Performance Against Plan Report – Attachment A** section of this report along with job, investment and/or other economic development impact. Please list the types of other forms of financing offered by your agency in the space provided below:

In addition to its pre-development lending program outlined above, CEDAC also serves as underwriter of Housing Innovations Fund, Facilities Consolidation Fund, Community-Based Housing, and Housing Preservation and Stabilization Trust Fund loans, four state-financed permanent loan programs of the Commonwealth's Department of Housing and Community Development (DHCD).

9) PATENTS OR PRODUCTS

Does your agency track **patents or products** resulting from agency-funded activities? Yes No

If **Yes**, please include details in the **Performance Against Plan Report – Attachment A** section of this report along with job, investment and/or other economic development impact. Please list the agency-funded activities of your agency that promote patent and product advancement in the space provided below:

N/A

10) TECHNICAL ASSISTANCE

If your agency provides technical assistance, please provide detailed information on technical assistance provided during FY14 in the **Performance Against Plan Report – Attachment A** section of this report along with job, investment, and/or other economic development impact. Please list the name(s) of the technical assistance

programs offered by your agency in the space provided below:

Along with the capital financing identified above, CEDAC staff provide one on one real estate based project-specific technical assistance to nonprofit developers. CEDAC staff also offer trainings and peer learning opportunities to workforce development professionals and early education and out of school time providers, as well as providing program and policy related services in the area of housing preservation. CEDAC hosts an annual conference for workforce development professionals through its Commonwealth Workforce Coalition, Sharing Skills~Building Connections.

11) MANAGEMENT TEAM

Please confirm that the senior management team listed on your website is accurate and report on any current or pending vacancies and/or replacements.

The management team listed on our website is accurate and there are no current or pending vacancies.

12) BOARD OF DIRECTORS

If applicable, please confirm that the board of director information on your website is accurate and provide information on any current or pending board vacancies.

The information on the CEDAC Board of Directors is accurate on our website. There is one vacant position and we are working with the Governor's office to fill that seat.

Attachment A

Performance on Goals and Objectives

Background

CEDAC is a public-private community development finance institution that provides financial resources and technical expertise for community-based and other non-profit organizations engaged in effective community development in Massachusetts. CEDAC's work supports three key building blocks of community development: affordable housing, workforce development, and early care and education. CEDAC is also active in national housing preservation policy research and development and is widely recognized as a leader in the nonprofit community development industry. For additional information on CEDAC, please visit www.cedac.org.

CEDAC is a quasi-public agency of the Commonwealth of Massachusetts, established as a public corporation by state legislation in 1978. A nine member Board of Directors drawn from the public and private development sectors is appointed by the Governor to oversee CEDAC's corporate affairs and set policy for the corporation. CEDAC is also a 501(c)(3) tax-exempt corporation.

CEDAC supports the community development needs of community-based nonprofit organizations, by offering flexible capital financing, technical support and assistance, and training in the areas of affordable housing development, workforce development, and early education and out-of-school time care. Affordable housing development is CEDAC's largest program. CEDAC is the primary provider of pre-development risk capital to nonprofit community-based organizations in Massachusetts. While bankrolling critical early seed money needs in the form of acquisition and pre-development loans, CEDAC also provides nonprofit developers with its staff's expertise in real estate finance and development and strategic project management. In addition to its pre-development lending program, CEDAC also serves as underwriter of Housing Innovations Fund, Facilities Consolidation Fund, Community-Based Housing, and Housing Preservation and Stabilization Trust Fund loans, four state-financed permanent loan programs of the Commonwealth's Department of Housing and Community Development (DHCD).

CEDAC supports workforce development-based programs through its program, the Commonwealth Workforce Coalition (CWC), a program that provides technical assistance, training, and strategic planning services to community-based and partner organizations engaged in workforce development.

Through its affiliate organization, the Children's Investment Fund (the Fund), CEDAC provides a full-range of financing and technical services options for early education and out-of-school time providers and other child and family serving organizations seeking to construct or improve their facilities. In addition to providing technical expertise, the Fund offers pre-development, site acquisition, and term loans, along with a small number of predevelopment planning grants, as available, to help finance the cost of developing capital projects, leasehold improvements and equipment on flexible loan terms that meet the needs of child care providers of all sizes.

The highlights of our activities for 2014 are reported in three sections: Housing Finance and Development, Workforce Development Capacity Building, and Early Education and Out of School Time.

Housing Finance and Development

CEDAC supports the community development needs of community-based nonprofit organizations, by offering flexible capital financing, technical support and assistance, and training. By offering predevelopment loans to finance the cost of professionals such as architects, attorneys, and development finance consultants, CEDAC resources provide critical risk capital to support early stage development activities. In addition to predevelopment loans, CEDAC acquisition loans help nonprofits acquire sites for development.

We established the following lending goals for 2014: Predevelopment Lending: Commit \$6.3 million to 50 projects, supporting 2,300 housing units. Acquisition Lending: Commit and disburse \$9 million to 6 projects, including support of Housing Preservation (see below) projects.

During 2014, \$20.3 million was committed to 45 projects, supporting 2,429 housing units. Of that total, \$7.28 million funded predevelopment loans and \$13.02 million were site acquisition loans. A summary of 2014 loan commitments is attached. We project that these loan commitments will leverage additional investment of \$570 million as they advance into development, and will support an additional 3,007 construction jobs.

In addition to financing, CEDAC staff provide one on one, project specific technical assistance to non-profit developers beginning early in the conceptual stages of project development, through each of the key development stages including project design and development, design, assembling financing, environmental review, and zoning. **During 2014, CEDAC staff members provided technical assistance to 427 projects undertaken by 203 organizations.**

Corporately, CEDAC staff have particularly strong expertise in specialized housing development, including supportive housing and housing preservation.

Supportive Housing

Supportive Housing is a specialized type of housing in which supportive services are provided to residents to assist them to live independently. Of particular importance to the Commonwealth is housing to support homeless families and individuals. In addition to having safe, reliable housing, homeless families and individuals often need additional services to enable them to remain housed, including job training, case management, and other services. In addition to providing technical support regarding elements of real estate development, CEDAC staff members are also highly experienced in the specialized design elements needed with supportive housing, as well the services plans that housing developers must consider as they develop housing with supportive services.

Because of this specialized expertise, the Commonwealth's Department of Housing and Community Development (DHCD) contracts with CEDAC to underwrite and administer four state-financed permanent loan programs: the Housing Innovations Fund, Facilities Consolidation Fund, Community Based Housing, and a new program in FY14, the Housing Preservation and Stabilization Trust Fund. CEDAC underwrites applicant loan requests and provides an analysis and recommendation to DHCD for each application. DHCD reviews the analyses and, subject to funding availability and coordination with the other state housing development finance programs, will issue funding commitments to projects. Upon commitment by DHCD, CEDAC will close and monitor the loans awarded, holding mortgages for each of the funded projects, which are reported on CEDAC's financial statements as part of our "Loan Funds Under Management". The loans committed through these four programs provide deferred payment permanent loans, with loan terms of 30 years generally, after which the loan term can be extended under certain circumstances. **Through these contracts, \$30.5 million in new loan commitments were awarded by DHCD to 41 projects in 2014. A summary of loan commitments for 2014 is attached.**

In addition to the underwriting services, CEDAC staff also collaborated with agencies of the Executive Office of Health and Human Services (EOHHS) regarding real estate development for supportive housing, including the Department of Mental Health, Department of Developmental Disabilities, Massachusetts Rehabilitation Commission, among others. CEDAC staff delivered a half day training with the Department of Mental Health housing staff to teach them about affordable housing development, and also collaborated with all EOHHS agencies in the development of a Universal Design training held in the Fall of 2013.

Recognizing the depth of CEDAC's experience in this area, and the long standing relationships that CEDAC has maintained with EOHHS agencies, the Commonwealth, through DHCD, created a demonstration program to create up to 1,000 permanent supportive housing units by December 31, 2015. To help accomplish that goal, an Interagency Supportive Housing Working Group was created to oversee the creation of an action plan. CEDAC's Executive Director, Roger Herzog, chaired the Working Group.

By March 2014, the Working Group reported that the 1,000 unit goal was met, almost two years ahead of the deadline. The Working Group produced a report on the Year One activities of the initiative, which was approved by the 18 participating state agencies and delivered to the Governor and Legislature.

Housing Preservation

For more than 20 years, CEDAC has maintained a strong public policy and program development presence in the field of housing preservation. Due to this deep expertise, CEDAC was awarded a grant of \$1 million from the John D. and Catherine T. MacArthur Foundation (MacFound) in 2009 to support a Massachusetts Housing Preservation Initiative. Massachusetts was one of twelve states awarded funding from MacFound through a highly competitive process, in which eighty public entities originally applied. With this funding, CEDAC, collaborating with other state and quasi-public agencies, monitors and identifies affordable housing properties at risk of loss of affordability at the expiration of a legally mandated affordability period and works with the owners to help maintain affordability either through the transfer of ownership to a nonprofit entity, or to renew affordability contracts with the Federal or state government. CEDAC also provides technical assistance and training to developers, owners, tenants, and state and local officials regarding Federal housing preservation programs and the state's landmark new law, Chapter 40T, which regulates publicly-assisted multifamily rental housing. **During 2014, CEDAC provided 7 grants totaling \$75,000 to support tenant organizing activities in Boston to housing preservation projects. The list of awardees and amounts is attached.**

There were 55 40T notices from project owners processed during the year, and we have also collaborated with DHCD to administer a program regarding the conversion of Enhanced Section 8 Vouchers to Project-Based Vouchers. Two projects were completed in 2014. A list of the 40T notices processed is attached.

CEDAC provides predevelopment and site acquisition loans to preservation projects (included in the figures summarized above) and also conducts policy research and analysis, and delivers trainings to developers and policy makers on housing preservation issues. **During 2014, CEDAC produced a research paper: *Are Preserved Affordable Housing Properties Located Near Public Transit?*, which can be found on CEDAC's website at www.cedac.org.**

In addition, CEDAC staff provided two preservation trainings; one was delivered in partnership with Citizens Housing and Planning Association (CHAPA), and one with the Real Estate Bar Association.

Workforce Development

CEDAC's Commonwealth Workforce Coalition (CWC) is a statewide capacity building program providing professional development training and networking opportunities for staff engaged in workforce development, education, training, and employment for adults and youth. Topics for trainings and regional peer learning networks are solicited from CWC participants and designed and delivered by CWC. In addition, CWC hosts an annual one-day conference, Sharing Skills~Building Connections, that draws more than 350 professionals from around the state and offers a series of professional development workshops. We established a goal of providing 8-10 trainings and 15 peer learning events in 2014, and set a goal for conference attendance at 400. **During 2014, CWC delivered 8 trainings, and held 16 peer learning meetings across 5 state regions. Three hundred forty-one people attended the annual conference. A total of 892 people attended all of the CWC events from 378 organizations, including the annual conference. A summary of the trainings offered and the organizations participating is attached.**

Early Care and Education and Out of School Time

CEDAC carries out its support of early education and out-of-school time programs through its affiliate, the Children's Investment Fund (the Fund). In operation since 1990, the Fund currently offers four programs: Technical Assistance and Lending; Provider Initiative and Policy Development; Early Education and Out of School Time Capital Fund; and Facilities Grant Program. An explanation of each program and the goals and results related to each activity is highlighted below.

The **Technical Assistance and Lending Program** offers a full range of financing and technical services options for early education and out-of-school time providers and other child and family serving organizations seeking to construct or improve their facilities. We established a goal of lending \$1 million to 4-7 projects in 2014. **During 2014, CIF committed \$1.88 million to 6 projects. We project that**

these loan commitments will leverage additional investment of \$10.5 million as they advance into development, and will support an additional 50 construction jobs. A summary of these loan commitments is attached.

- CIF also established a goal of providing one nature-based play training, as well as re-tooling its 5 day Building Stronger Centers training program to a shorter 3.5 day training. **During 2014, CIF conducted a training in two locations in the Commonwealth on nature based play, “Let’s Take It Outside”.** CIF also designed and delivered a 3.5 day Building Stronger Centers program. For all CIF training activities, 157 participants attended the trainings, representing , training 44 people from 20 organizations. A summary of organizations attending each training is attached.
- a **Provider Initiative and Policy Development Program** that has conducted a research study that includes comprehensive facilities standards that measure quality and age appropriate learning environments for children in early learning and after school programs. With the results of the research, the Fund partnered with the United Way of Massachusetts Bay and Merrimack Valley and community development advocates on a campaign to educate the public about the impact of facilities on program quality;
- **The Early Education and Out of School Time (EEOST) Capital Fund** program was authorized by the Massachusetts Legislature as part of the 2013 community development bond legislation. The EEOST Capital Fund was funded by \$45 million in general obligation bonding authority to provide capital grants or loans to licensed center-based nonprofit early education and out of school time programs to fund facility acquisition, design, construction and/or renovation. CEDAC will underwrite and close commitments from the EEOST Capital Fund, as awarded by the Department of Early Education and Care (EEC). **During 2014, CIF supported EEC’s work to develop regulations and program guidelines in anticipation of the EEOST Capital Fund first awards in 2015.**
- a **Facilities Grant Program** that enables the Fund to provide grant capital to providers to fund the cost of facilities improvements. Through this program, the Fund raises restricted grants from donors and disburses those funds over the course of two to three years to support capital projects. As a result, Fund profitability has more volatility year-to-year. **During 2014, CIF awarded \$533,000 in capital grants to 11 programs. A summary of the grants awarded is attached.**

The Fund is separately incorporated, formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, and is governed by a separate Board of Directors.

Intermediary Services

As part of its regular activities, CEDAC may serve as fiscal intermediary for a variety of governmental and nonprofit partners. Through an agreement with the Massachusetts Rehabilitation Commission (MRC), CEDAC provides fiscal intermediary services for the Home Modifications for the Disabled Loan (HMDL) Program. Through this program, MRC and CEDAC select regional nonprofit corporations to underwrite and service loans to qualifying homeowners to modify their homes to accommodate disabled individuals. Our lending goal for the program was to disburse \$4 million in capital funding allocated to the program. **During 2014, we disbursed \$4.9 million in capital funding to fund home modifications for 228 disabled individuals. A summary of modifications disbursements by municipality is attached.**

**Community Economic Development Assistance Corporation
Predevelopment and Acquisition Loan Commitments - 2014**

Borrower Name	Project Name	Municipality	Amount Authorized	Commitment Date	Ownership Type		Affordability Statistics			TotalDevelopmentCost	UseConstruction
					Rental Units	Homeownership Units	Families/Individuals	Homeless	Other Affordable Units		
Allston Brighton CDC - Linden St	Commonwealth-Glenville (fka Commonwealth Avenue Apartments)	Boston	\$150,000.00	12/19/2013	235			222	13	\$31,987,260.00	\$9,941,800.00
Allston Brighton CDC - Linden St	Commonwealth-Glenville (fka Commonwealth Avenue Apartments)	Boston	\$50,000.00	12/19/2013	235			222	13	\$31,987,260.00	\$9,941,800.00
Asian CDC - Main Office	Tremont Village	Boston	\$75,000.00	9/26/2013	20		4	16		\$7,424,676.00	\$3,058,000.00
Asian CDC - Main Office	Tremont Village	Boston	\$100,000.00	3/6/2014	20		4	16		\$7,424,676.00	\$3,058,000.00
Asian CDC - Main Office	Tremont Village	Boston	\$125,000.00	5/22/2014	20		4	16		\$7,424,676.00	\$3,058,000.00
Berkshire Housing Development Corporation (Berkshire HDC)	Highland Woods aka Bluff Woods fka Williams College Affordable Housing	Williamstown	\$15,000.00	9/26/2013	40		8	32		\$12,071,387.00	\$8,526,387.00
Berkshire Housing Development Corporation (Berkshire HDC)	Highland Woods aka Bluff Woods fka Williams College Affordable Housing	Williamstown	\$85,000.00	11/7/2013	40		8	32		\$12,071,387.00	\$8,526,387.00
Berkshire Housing Development Corporation (Berkshire HDC)	Highland Woods aka Bluff Woods fka Williams College Affordable Housing	Williamstown	\$205,500.00	3/6/2014	40		8	32		\$12,071,387.00	\$8,526,387.00
Berkshire Housing Development Corporation (Berkshire HDC)	Highland Woods aka Bluff Woods fka Williams College Affordable Housing	Williamstown	\$300,000.00	6/27/2014	40		8	32		\$12,071,387.00	\$8,526,387.00
Bilingual Veterans Outreach Centers of Massachusetts, Inc. (fka Puerto Rican Veterans Association of Massachusetts, Inc.)	Cass Street Veterans Housing	Springfield	\$96,000.00	6/27/2014	20		20	0		\$2,925,000.00	\$2,084,656.00
Brookview House, Inc.	Brookview House IV aka Brookview House III	Boston	\$78,000.00	6/27/2014	12		12	0		\$4,361,512.00	\$3,713,087.00
Chelmsford Housing Opportunities for Intergenerational and Community Endeavors (CHOICE, Inc.)	The Elms	Harvard	\$98,500.00	9/26/2013	9		3	6		\$3,564,284.00	\$2,645,084.00
Chelmsford Housing Opportunities for Intergenerational and Community Endeavors (CHOICE, Inc.)	The Elms	Harvard	\$136,100.00	4/10/2014	9		3	6		\$3,564,284.00	\$2,645,084.00
Coalition for a Better Acre	Haverhill Veterans Housing	Haverhill	\$130,360.00	11/7/2013	27		8	19		\$5,605,205.00	\$3,724,598.00
Community Development Corporation of South Berkshire, Inc. (CDC of South Berkshire)	River School Housing	Great Barrington	\$185,000.00	8/8/2013		11		11		\$3,430,662.00	\$2,364,000.00
Domus, Inc.	Our House (FKA Westfield Red Cross Building)	Westfield	\$15,000.00	8/8/2013	9		8	1		\$1,535,803.00	\$957,900.00
Domus, Inc.	Our House (FKA Westfield Red Cross Building)	Westfield	\$68,650.00	9/26/2013	9		8	1		\$1,535,803.00	\$957,900.00
Dorchester Bay Economic Development Corporation	Cottage Brook Apartments 2013	Boston	\$250,000.00	5/22/2014	147		30	117		\$43,919,499.00	\$22,199,124.00
Dorchester Bay Economic Development Corporation	Cottage Brook Apartments 2013	Boston	\$300,000.00	5/22/2014	147		30	117		\$43,919,499.00	\$22,199,124.00
Elizabeth Stone House	Westminster Washington	Boston	\$30,000.00	12/19/2013	27		27	0		\$10,684,250.00	\$14,018,639.00
Forest Glen Cooperative Housing Corporation	Forest Glen Cooperative Refinance	Boston	\$15,000.00	6/27/2014				0		\$0.00	\$0.00
Greenfield Gardens Tenant Association	Greenfield Gardens	Greenfield	\$15,000.00	11/7/2013				0		\$0.00	\$0.00
HAP, Inc.	Kenwyn / Quadrangle	Springfield	\$200,000.00	4/10/2014	60		7	53		\$9,897,010.00	\$4,942,080.00
HAP, Inc.	Library Commons Phase 1 (f/k/a Downtown Holyoke Housing)	Holyoke	\$100,000.00	9/26/2013	43		7	36		\$15,346,226.00	\$11,275,691.00
Harborlight Community Partners	Harborlight House	Beverly	\$125,000.00	5/22/2014	30		22	8		\$7,762,571.00	\$2,470,000.00
Hilltown Community Development Corporation (Hilltown CDC)	Town Center Apartments aka Haydenville Village Center	Williamsburg	\$65,300.00	8/8/2013	24		6	18		\$5,062,971.00	\$2,207,986.00
Hilltown Community Development Corporation (Hilltown CDC)	Town Center Apartments aka Haydenville Village Center	Williamsburg	\$45,955.00	6/27/2014	24		6	18		\$5,062,971.00	\$2,207,986.00
Jamaica Plain Neighborhood Development Center (JPNDC)	75 Amory Avenue aka Jackson Square	Boston	\$50,000.00	8/8/2013	39		4	35		\$15,468,669.00	\$9,918,188.00
Jamaica Plain Neighborhood Development Center (JPNDC)	75 Amory Avenue aka Jackson Square	Boston	\$150,000.00	1/30/2014	39		4	35		\$15,468,669.00	\$9,918,188.00
Lawrence CommunityWorks Inc. (LCW)	Duck Mill	Lawrence	\$300,000.00	3/6/2014	45		12	33		\$25,281,025.00	\$18,511,729.00
Soldier On (FKA United Veterans of America, Inc.)	Gordon H. Mansfield Veterans Cooperative Housing (Leeds)	Northampton	\$15,000.00	11/20/2013	44		11	33		\$10,056,005.00	\$7,878,977.00
Soldier On (FKA United Veterans of America, Inc.)	Gordon H. Mansfield Veterans Cooperative Housing (Leeds)	Northampton	\$125,000.00	4/10/2014	44		11	33		\$10,056,005.00	\$7,878,977.00
Soldier On (FKA United Veterans of America, Inc.)	Leeds Women Vets Transitional Housing	Northampton	\$15,000.00	11/20/2013	16		4	10	2	\$3,486,074.00	\$2,509,335.00

Community Economic Development Assistance Corporation

Predevelopment and Acquisition Loan Commitments - 2014

Borrower Name	Project Name	Municipality	Amount Authorized	Commitment Date	Ownership Type		Affordability Statistics			TotalDevelopmentCost	UseConstruction
					Rental Units	Homeownership Units	Families/Individuals	Other Affordable Units	Market Units		
Soldier On (FKA United Veterans of America, Inc.)	Leeds Women Vets Transitional Housing	Northampton	\$125,000.00	4/10/2014	16		4	10	2	\$3,486,074.00	\$2,509,335.00
Soldier On (FKA United Veterans of America, Inc.)	Soldier On / Gordon Mansfield Veterans										
Soldier On (FKA United Veterans of America, Inc.)	Community - Agawam	Agawam	\$280,000.00	11/7/2013	54		40	14		\$12,519,512.00	\$9,487,500.00
Somerville Community Corporation	163 Glen St	Somerville	\$100,000.00	3/6/2014		21		14	7	\$7,116,443.00	\$4,204,677.00
Somerville Community Corporation	181 Washington Street	Somerville	\$100,000.00	8/8/2013	35		8	27		\$13,098,985.00	\$7,542,515.00
Somerville Community Corporation	181 Washington Street	Somerville	\$200,000.00	3/6/2014	35		8	27		\$13,098,985.00	\$7,542,515.00
South Shore HDC (Rockland Housing Foundation)	Rockland Supportive Housing	Rockland	\$15,000.00	1/30/2014				0		\$0.00	\$0.00
Spring Meadow Association of Responsible Tenants, Inc. (SMART)	Spring Meadow Apartments REFI	Springfield	\$45,000.00	4/10/2014	270		27	243		\$31,232,227.00	\$14,273,283.00
Spring Meadow Association of Responsible Tenants, Inc. (SMART)	Spring Meadow Apartments REFI	Springfield	\$25,000.00	4/10/2014	270		27	243		\$31,232,227.00	\$14,273,283.00
Spring Meadow Association of Responsible Tenants, Inc. (SMART)	Spring Meadow Apartments REFI	Springfield	\$73,000.00	4/10/2014	270		27	243		\$31,232,227.00	\$14,273,283.00
Stow Elderly Housing Corporation	Plantation Apartments II	Stow	\$100,000.00	8/8/2013	37		8	29		\$9,705,000.00	\$6,188,579.00
The Community Builders - Worcester	Noquochoke Village	Westport	\$302,000.00	11/7/2013	50		8	42		\$14,005,178.00	\$10,173,389.00
The Community Builders, Inc. - Boston	Leyden Woods Apts, Phase 1	Greenfield	\$100,000.00	5/22/2014	113		23	90		\$29,857,125.00	\$20,766,265.00
The Community Builders, Inc. - Boston	Leyden Woods Apts, Phase 1	Greenfield	\$200,000.00	5/22/2014	113		23	90		\$29,857,125.00	\$20,766,265.00
The Community Builders, Inc. - Boston	Leyden Woods Apts, Phase 1	Greenfield	\$100,000.00	5/22/2014	113		23	90		\$29,857,125.00	\$20,766,265.00
The Community Builders, Inc. - Boston	Quincy Terrace	Boston	\$200,000.00	4/10/2014	40		7	25	8	\$15,145,029.00	\$11,040,592.00
The Community Builders, Inc. - Boston	Worcester Loomworks (fka 93 Grand Street)	Worcester	\$115,000.00	12/19/2013	96		10	67	19	\$26,041,564.00	\$17,028,619.00
Urban Edge Housing Corporation	80 Walnut Park	Boston	\$135,075.00	4/10/2014	42		5	37		\$15,456,014.00	\$9,922,500.00
Urban Edge Housing Corporation	Cleaves Court and Dimock Bragdon Apartments	Boston	\$125,000.00	12/19/2013	90		18	72		\$24,382,338.00	\$6,641,622.00
Urban Edge Housing Corporation	Cleaves Court and Dimock Bragdon Apartments	Boston	\$50,000.00	12/19/2013	90		18	72		\$24,382,338.00	\$6,641,622.00
Urban Edge Housing Corporation	Walnut Washington	Boston	\$100,000.00	1/30/2014	65		7	58		\$17,941,615.00	\$4,765,382.00
Uxbridge Housing Associates, Inc.	Blanchard School	Uxbridge	\$101,300.00	11/7/2013	25		5	20		\$8,798,633.00	\$6,342,582.00
Valley CDC	Northampton Lumber	Northampton	\$87,175.00	8/8/2013	60		12	48		\$21,555,520.00	\$15,457,313.00
Valley CDC	Parsons Village	Easthampton	\$205,000.00	9/26/2013	38		8	30		\$10,966,504.00	\$7,483,673.00
Valley Opportunity Council, Inc. (VOC) - Main Office (Holyoke)	The Kendall	Chicopee	\$125,000.00	5/22/2014	38		8	30		\$6,714,912.00	\$4,009,632.00
Vietnam Veterans Workshop, Inc. d/b/a New England Center for Homeless Veterans (NECHV)	Court Street Facility Renovation	Boston	\$100,000.00	12/19/2013	94		94	0		\$24,213,395.00	\$16,906,706.00
Vietnamese American Initiative for Development (Viet-AID)	Four Corners Rental Housing	Boston	\$395,905.00	1/30/2014	35		9	26		\$14,364,510.00	\$9,531,092.00
Worcester Community Housing Resources, Inc.	Spring Street Mill (aka 45 Summer Street)	Leominster	\$62,000.00	11/7/2013	30		4	26		\$7,875,443.00	\$5,114,000.00
predevelopment total			\$7,280,820.00		2059	32	494	1548	49	\$ 530,860,036.00	\$ 319,827,182.00

Acquisition Loans

Berkshire Housing Development Corporation (Berkshire HDC)	Dalton Apartments	Pittsfield	\$1,820,000.00	3/6/2014	100		8	92		\$12,585,389.00	\$6,022,269.00
Berkshire Housing Development Corporation (Berkshire HDC)	Dalton Apartments	Pittsfield	\$600,000.00	3/6/2014	100		8	92		\$12,585,389.00	\$6,022,269.00
Berkshire Housing Development Corporation (Berkshire HDC)	Dalton Apartments	Pittsfield	\$180,000.00	3/6/2014	100		8	92		\$12,585,389.00	\$6,022,269.00
Berkshire Housing Development Corporation (Berkshire HDC)	Dalton Apartments	Pittsfield	\$1,000,000.00	3/6/2014	100		8	92		\$12,585,389.00	\$6,022,269.00
Better Homes, Inc.	Kenyon College Estates	Springfield	\$900,000.00	8/8/2013	34		7	27		\$7,079,028.00	\$2,805,000.00
Better Homes, Inc.	Kenyon College Estates	Springfield	\$340,000.00	8/8/2013	34		7	27		\$7,079,028.00	\$2,805,000.00
Better Homes, Inc.	Kenyon College Estates	Springfield	\$600,000.00	8/8/2013	34		7	27		\$7,079,028.00	\$2,805,000.00
Better Homes, Inc.	Kenyon College Estates	Springfield	\$600,000.00	8/8/2013	34		7	27		\$7,079,028.00	\$2,805,000.00
Brookview House, Inc.	Brookview House IV aka Brookview House III	Boston	\$160,000.00	6/27/2014	12		12	0		\$4,361,512.00	\$3,713,087.00
Domus, Inc.	Our House (FKA Westfield Red Cross Building)	Westfield	\$189,644.00	9/26/2013	9		8	1		\$1,535,803.00	\$957,900.00
Domus, Inc.	Our House (FKA Westfield Red Cross Building)	Westfield	\$23,102.03	3/7/2014	9		8	1		\$1,535,803.00	\$957,900.00
House of Hope, Inc.	New Hope II	Lowell	\$500,000.00	1/30/2014	7		7	0		\$1,205,200.00	\$65,200.00
House of Hope, Inc.	New Hope II	Lowell	\$500,000.00	1/30/2014	7		7	0		\$1,205,200.00	\$65,200.00
Preservation of Affordable Housing, Inc. (POAH)	Tribune Apartments	Framingham	\$1,400,000.00	8/8/2013	53		5	48		\$12,103,485.00	\$1,323,675.00

**Community Economic Development Assistance Corporation
Predevelopment and Acquisition Loan Commitments - 2014**

Borrower Name	Project Name	Municipality	Amount Authorized	Commitment Date	Ownership Type		Affordability Statistics			TotalDevelopmentCost	UseConstruction
					Rental Units	Homeownership Units	Families/Individuals	Homeless Affordable	Other Affordable		
Preservation of Affordable Housing, Inc. (POAH)	Tribune Apartments	Framingham	\$1,200,000.00	8/8/2013	53		5	48		\$12,103,485.00	\$1,323,675.00
Preservation of Affordable Housing, Inc. (POAH)	Tribune Apartments	Framingham	\$150,000.00	8/8/2013	53		5	48		\$12,103,485.00	\$1,323,675.00
Somerville Community Corporation	163 Glen St	Somerville	\$635,000.00	3/6/2014		21		14	7	\$7,116,443.00	\$4,204,677.00
Somerville Community Corporation	163 Glen St	Somerville	\$630,000.00	3/6/2014		21		14	7	\$7,116,443.00	\$4,204,677.00
Urban Edge Housing Corporation	80 Walnut Park	Boston	\$90,000.00	4/10/2014	42		5	37		\$15,456,014.00	\$9,922,500.00
Urban Edge Housing Corporation	80 Walnut Park	Boston	\$510,000.00	4/10/2014	42		5	37		\$15,456,014.00	\$9,922,500.00
Valley CDC	Northampton Lumber	Northampton	\$1,000,000.00	8/8/2013	60		12	48		\$21,555,520.00	\$15,457,313.00
acquisition total			\$13,027,746.03		317	21	64	267	7	\$ 82,998,394.00	\$ 44,471,621.00
Number of Proj. - Unduplicated \$45.00			\$20,308,566.03	Total - Unduplicated	2376	53	558	1,815	56	\$613,858,430.00	\$364,298,803.00
Number of Proj. \$41.00			\$7,280,820.00	Predevelopment	2059	32	494	1,548	49	\$530,860,036.00	\$319,827,182.00
Number of Proj. \$9.00			\$13,027,746.03	Acquisition	317	21	64	267	7	\$82,998,394.00	\$44,471,621.00

Community Economic Development Assistance Corporation
Deferred Payment Loan Commitments - 2014

Borrower	Project	Total Units	Municipality	Commitment Date	Amount
<u>Housing Innovations Fund</u>					
Jamaica Plain Neighborhood Dev The Neighborhood Developers Planning Office for Urban Affairs	Walnut Avenue Apartments	31	Boston	09/04/13	1,000,000.00
Father Bill's & Mainspring, Inc.	Bellingham Hill Family Homes	7	Chelsea	09/04/13	230,054.00
Pine Street Inn	Upham's Corner Residential	47	Boston	09/04/13	1,000,000.00
The Neighborhood Developers	Montello Welcome Home	22	Brockton	11/15/13	1,000,000.00
Preservation of Affordable Housing Coalition for a Better Acre	51-57 Beals Street	31	Brookline	11/15/13	1,000,000.00
Neigh. Svces of the S Shore	North Bellingham Veterans Home	10	Chelsea	11/15/13	550,000.00
Community Teamwork	Route 134 Community Housing	27	Dennis	11/15/13	750,000.00
New England Center for Homeless Veterans	Gorham Street	24	Lowell	11/15/13	1,050,000.00
DOMUS	East Howard Street Veterans Housing	12	Quincy	11/15/13	1,000,000.00
Coalition for a Better Acre	205 Worthen Street	3	Lowell	01/27/14	252,547.50
Caritas	17 Court Street	95	Boston	03/12/14	350,000.00
Viet-AID	Our House	11	Westfield	04/08/14	725,973.00
House of Hope, Inc.	Haverhill Veterans	27	Haverhill	04/08/14	1,000,000.00
Father Bill's & Mainspring, Inc.	Cortes Street	40	Boston	04/08/14	1,000,000.00
Common Ground Development	Four Corners	35	Boston	04/08/14	1,043,601.00
SMOC	New Hope II	7	Lowell	04/08/14	602,600.00
The Neighborhood Developers	South Shore Supportive Housing	8	Brockton	04/08/14	600,000.00
SMOC	430 Broadway	3	Lowell	04/08/14	225,000.00
Bilingual Veterans	266 Main Street	16	Oxford	04/08/14	100,000.00
	Shawmut Place	4	Chelsea	04/08/14	300,000.00
	16 Cottage Street	15	Worcester	04/08/14	306,600.00
	Cass Street	19	Springfield	04/08/14	1,000,000.00
	Total Number of Units	494		Total Commitment	15,086,375.50
	Total Number of Projects	22			
<u>Facilities Consolidation Fund</u>					
Bay Cove Human Services	Connor House aka Rollarnd Revere	6	Revere	8/15/2013	880,993.00
CIL Realty, Inc.	Town Farm Group Home	5	Ipswich	8/20/2013	162,766.00
Seven Hills Foundation	Groton Medical	5	Groton	10/22/2013	364,938.00
CIL Realty, Inc.	High Meadow Road	5	Hadley	11/18/2013	472,380.00
Bridgewell	Mammoth Road House	5	Dracut	12/20/2013	477,000.00
CIL Realty, Inc.	547 N. Washington Street	5	Belchertown	10/22/2013	438,537.00
CIL Realty, Inc.	555 N. Washington Street	5	Belchertown	10/22/2013	438,537.00
Toward Independent Living & Learning	Bridgeview Center	61	Boston	11/15/2013	750,000.00
Toward Independent Living & Learning	Bridgeview Center		Boston	11/15/2013	401,000.00
Northeast ARC	1 Wellesley Road	4	Danvers	1/15/2014	351,609.00
CIL Realty	Washington Street Group Residence	5	Abington	3/11/2014	481,029.00
CIL Realty	14 Wildflower Drive Group Home	5	Ware	3/11/2014	427,287.00
CIL Realty	16 Wildflower Drive Group Home	5	Ware	3/11/2014	433,052.00

The Community Builders

Mashpee Village Ph II
Total Number of Units
Total Number of Projects

145 Mashpee
261
13

3/15/2014
Total Commitment **6,079,128.00**

Community Based Housing

Toward Independent Living & Learning
Winn Development Co Ltd Ptrship
Coalition for a Better Acre
The Community Builders
Traggorth Co/22 Gerrish/Mitchell

Bridgeview Center
Malden Mills II
Gorham Street
Worcester Loomworks Ph 1
Standard Box Apts/Flats @ 22
Total Number of Units
Total Number of Projects

61 Boston
62 Lawrence
24 Lowell
39 Worcester
50 Chelsea
236
5

11/15/2013 450,000.00
11/15/2013 750,000.00
11/15/2013 185,000.00
11/15/2013 457,523.00
01/06/14 500,000.00
Total Commitment **2,342,523.00**

Housing Stabilization and Preservation Fund

Caritas Communities
VietAID
Father Bills & Mainspring
The Neighborhood Developers
Coalition for a Better Acre
Common Ground Development Corp
House of Hope Housing
SMOC
Bilingual Veterans Outreach Center of MA
DOMUS
SMOC
Mental Health Association, Inc.
Peabody Veteran's Supportive Housing LLC

Cortes Street
Upper Washington/Four Corners
South Shore Supportive Housing
Shawmut Place
Haverhill Veterans Housing
430 Broadway
New Hope 2
266 Main Street
Cass Street Veterans Housing
Our House
16 Cottage Street
Springfield House
Bedford Green Apartments
Total Number of Units
Total Number of Projects

40 Boston
35 Boston
8 Brockton
4 Chelsea
27 Haverhill
3 Lowell
7 Lowell
16 Oxford
19 Springfield
11 Westfield
15 Worcester
16 Springfield
70 Peabody
271
13

5/22/2014 \$500,000.00
5/22/2014 \$500,000.00
5/22/2014 \$385,000.00
5/22/2014 \$300,000.00
5/22/2014 \$920,000.00
5/22/2014 \$225,000.00
5/22/2014 \$602,600.00
5/22/2014 \$250,000.00
5/22/2014 \$850,000.00
5/22/2014 \$300,000.00
5/22/2014 \$167,400.00
5/22/2014 \$1,000,000.00
5/22/2014 \$1,000,000.00
Total Commitment **\$7,000,000.00**
Total **30,508,026.50**

Community Economic Development Assistance Corporation
2014 Grants to Businesses

Grantee Name	Municipality	Grant Amount	Purpose of Grant
CEDAC Boston Tenant Organizing Program			
BTOP - Bank Eviction Project FY13	Boston	\$20,000.00	Tenant Organizing Support
BTOP - Chinatown Antidisplacement Organizing FY14	Boston	\$12,500.00	Tenant Organizing Support
BTOP - Our Lady's Guild House FY13	Boston	\$7,500.00	Tenant Organizing Support
BTOP - Georgetowne Apartments (Expiring Mortgages FY13)	Boston	\$8,000.00	Tenant Organizing Support
BTOP - Warren Hall Apartments (Expiring Mortgages FY13)	Boston	\$8,000.00	Tenant Organizing Support
BTOP - Future Projects (Expiring Mortgages FY13)	Boston	\$9,000.00	Tenant Organizing Support
BTOP - Fairmont Line/Gentrifying Areas FY14	Boston	\$10,000.00	Tenant Organizing Support
	Total	\$75,000	

Children's Investment Fund Facilities Grants

Horizons for Homeless Children	Roxbury	8,993	Facilities Grant
Paige Academy	Boston	74,000	Facilities Grant
College Bound Dorchester	Boston	67,658	Facilities Grant
John F Kennedy Service Center	Charlestown	63,143	Facilities Grant
Guild of St. Agnes	Worcester	50,000	Facilities Grant
Franciscan Hospital For Children, Inc.	Boston	47,560	Facilities Grant
Webster Square Day Care Center Inc.	Worcester	50,000	Facilities Grant
Inquilinos Boricuas en Accion (IBA)	Boston	53,000	Facilities Grant
Boston Chinatown Neighborhood Center, Inc.	Boston	27,600	Facilities Grant
Lynn Economic Opportunity Council	Lynn	41,761	Facilities Grant
Boston Medical Center Corporation - SPARK Center	Mattapan	50,000	Facilities Grant
	Total	\$ 533,716	

Community Economic Development Assistance Corporation						
Summary of 40T Notices - 2014						
Property	City	Notice Date	Notice Type	Notes	Total Units	Aff. Units
COUNTRYSIDE VILLAGE	Marlborough	Jul 2013	2 Year Notice	Restriction only affects 3 units of 118.	118	118
EBENEZER HOMES	Boston	Jul 2013	Request for Exemption	Sale between nonprofits preserving affordability	32	32
MARKET STREET	Cambridge	Jul 2013	Request for Exemption	Sale preserving affordability	16	16
SOUTH END APARTMENTS RENOVATION PROJECT	Boston	Jul 2013	Request for Exemption	Sale between affiliates	83	83
WORCESTER SQUARE	Boston	Jul 2013	Request for Exemption	Sale between affiliates	31	31
TRIBUNE APARTMENTS	Framingham	Jul 2013	Request for Exemption	Sale to nonprofit preserving affordability	53	53
MARKET STREET	Cambridge	Aug 2013	Other	Supplemental notice	16	16
TOWNHOUSE OF LOWELL	Lowell	Aug 2013	2 Year Notice	Owner intends to renew Sect. 8.	96	96
ROCKMERE GARDENS	Lynn	Aug 2013	2 Year Notice	Owner intends to renew Sect. 8.	60	60
Rockingham Glen	Boston	Aug 2013	Other	Curative Notice. 121A expired in April 2013.	143	143
WORCESTER SQUARE	Boston	Aug 2013	Request for Exemption	Sale between TCB entities preserving affordability	31	31
BROADWAY GLEN	Chelsea	Aug 2013	Request for Exemption	Sale to new owner preserving affordability	120	120
MASS PIKE TOWERS	Boston	Aug 2013	Other	Curative Notice. Notice was late for upcoming Sec. 236 maturity. Multiple other affordability restrictions.	200	200
KENYON COLLEGE ESTATES	Springfield	Sep 2013	Request for Exemption	34 Unit Sect 8 project Sale to non-profit	34	34
MASHPEE VILLAGE	MASHPEE	Sep 2013	Request for Exemption	145 Unit Project; request state funding	145	145
SOUTH HOLYOKE HOUSING	Holyoke	Sep 2013	Request for Exemption	48 Unit SHARP project	48	17
MILLHAUS AT UPTON	Upton	Sep 2013	Request for Exemption	34 Unit 13A project Transfer of GP interest	89	89
PHOENIX APARTMENTS	Holyoke	Sep 2013	Request for Exemption	66 unit Sharp project	66	66
SHIPS' COVE APARTMENTS	Fall River	Sep 2013	Request for Exemption	LIHPRHA Project	201	201
Davis Commons	Brockton	Oct 2013	1 Year Notice	Sec 8 Expiration. Owner intends to renew	200	200
TAUNTON GARDENS	Taunton	Oct 2013	1 Year Notice	Sec 8 Expiration. Owner intends to renew	128	128
WALNUT/WASHINGTON APTS	Boston	Oct 2013	Request for Exemption	Sales to affiliate preserving affordability	65	65
TRIBUNE APARTMENTS	Framingham	Oct 2013	Other	Request for final cert. of exemption	53	53
BRANDYWYNE VILLAGE	Boston	Oct 2013	1 Year Notice	Sec 8 Expiration. Owner intends to renew	402	402
HIGHLAND GLEN	Westwood	Oct 2013	2 Year Notice	Sec. 8 Expiration	180	179
KENYON COLLEGE ESTATES	Springfield	Oct 2013	Request for Exemption	Sale to preservation purchaser	34	34
YEE REALTY	Boston	Oct 2013	2 Year Notice	Unclear notice	12	12
WALNUT/WASHINGTON APTS	Boston	Nov 2013	Request for Exemption	Transfer to an affiliate	65	65
SHIPS' COVE APARTMENTS	Fall River	Nov 2013	Request for Exemption	Transfer to affiliate preserving affordability	201	201
UPTON INN	Upton	Dec 2013	Request for Exemption	Sale of 34 unit Sec 13 A property	34	34
Prospect Estates	Webster	Dec 2013	Request for Exemption	sale to nonprofit	25	25
Riverview Towers	Fall River	Jan 2014	Other	Intent to pursue Preservation sale. 200 unit 13A property	200	200
AMIFF HOUSING	Boston	Jan 2014	2 Year Notice	Owner intends to renew Sec. 8	96	96
UPTON INN	Upton	Jan 2014	Request for Exemption	Sale with assumption of 13A restrictions	34	34
EASTBROOK APARTMENTS	Springfield	Jan 2014	Other	Curative Notice	160	160
EASTBROOK APARTMENTS	Springfield	Jan 2014	1 Year Notice	Sec 236 property with tax credit restriction	160	160
ORCHARD HILL ESTATES	OXFORD	Feb 2014	2 Year Notice	One of several restrictions will expire	215	215
ST BOTOLPH STREET APTS	Boston	Mar 2014	2 Year Notice		135	130
HARBORLIGHT HOUSE	BEVERLY	Mar 2014	Request for Exemption	Sale to an affiliate increasing affordability	35	30
HAMILTON WADE HOUSE	Brockton	Mar 2014	Request for Exemption	Sale to an affiliate	84	83
POINT COOP	Salem	Mar 2014	Request for Exemption	Sale to a nonprofit affiliate	77	60

Property	City	Notice Date	Notice Type	Notes	Total Units	Aff. Units
Village Green	Tewksbury	Mar 2014	Request for Exemption	In fact this is a notice of intent to sell to a pres. Buyer	56	12
WILSHIRE APTS	Boston	Mar 2014	Other	Sale to Preservation buyer	29	29
WAYNE APTS	BOSTON	Mar 2014	Request for Exemption	Sale to affiliate perserving affordability	349	349
Carmen Vasquez Apartments	Holyoke	Apr 2014	Other	Request for final cert. of exemption	19	15
Earle Street	Northampton	Apr 2014	Other	Request for final cert. of exemption	16	15
Glen Meadow	Franklin	Apr 2014	Other	Curative Notice restrictions ended Aug 2013	288	288
Rolling Green-Milford	Milford	Apr 2014	Other	Curative Notice restrictions ended Sept 2013	304	304
MASHPEE VILLAGE	MASHPEE	May 2014	Request for Exemption	Sale to affiliate perserving affordability	145	145
BEACON HOUSE	Boston	May 2014	Request for Exemption	Sale to affiliate perserving affordability	135	85
NORTH VILLAGE AT WEBSTER	WEBSTER	Jun 2014	Request for Exemption	RAD transaction deepening affordability	134	134
TDC III	Boston	Jun 2014	Request for Exemption	Sale to affiliate perserving affordability	61	15
NORSTIN	Cambridge	Jun 2014	Request for Exemption	Sale to affiliate perserving affordability	32	32
BOWDOIN SCHOOL	Boston	Jun 2014	2 Year Notice		35	26
RESERVOIR TOWERS	Boston	Jun 2014	2 Year Notice		242	145

CWC EVENTS OFFERED IN FY14	TRAINING DATE
Southeast Peer Learning Network	07/24/13
West Peer Learning Network	09/18/13
Southeast Peer Learning Network	09/25/13
SkillWorks & JCS: Personal Style & Career Applications Workshop	10/16/13
Boston Peer Learning Network	10/17/13
CWC & SABES SE W1: Modeling 21st Century Work Readiness Skills in Your Program and Classroom	10/18/13
Central Peer Learning Network	10/23/13
Northeast Peer Learning Network	10/24/13
CWC & SABES SE W2: Developing Contextualized Curriculum: Integrating Literacy & Workforce Skills	11/22/13
Assessment Tools Training	12/03/13
SkillWorks Webinar: College Navigation Coach lessons learned	12/10/13
CWC & SABES Boston W1: Modeling 21st Century Work Readiness Skills in Your Program and Classroom	01/10/14
CWC & SABES Boston W2: Career Planning: Integrating Career Awareness into Workforce and ABE Programming & Advising	01/31/14
Northeast Peer Learning Network	02/12/14
West Peer Learning Network	02/26/14
CWC & SABES Boston W3: Developing Contextualized Curriculum: Integrating Literacy and Workforce Skills	02/28/14
Boston Peer Learning Network	03/06/14
Southeast Peer Learning Network	03/13/14
Central Peer Learning Network	03/26/14
CWC Conference	05/01/14
Southeast Peer Learning Network	05/28/14
Boston Peer Learning Network	06/11/14
Northeast Peer Learning Network	06/18/14
West Peer Learning Network	06/18/14
Central Peer Learning Network	06/25/14
16 Network Meetings, 1 Conference, 1 Webinar, 7 trainings	
Organizations Attended CWC Events in FY14	Number of Attendees per Org.
ABCD Learning Works-19 Temple	1
ABCD-Roxbury	1
ABE/ESOL NewBedford Public Schools ALC	1
Access at Cape Cod Community College - Hyannis	1
ACT, Inc.	1
Acton Housing Authority	1
AdCare Criminal Justice Services	1
Adult Literacy Resource Institute, U. Mass. Boston	1
Advocates for Human Potential, Inc.	1
AFL-CIO	1
AIDS Action Committee	2
Alexander Aronson Finning CPAs (AAF)	1
Allied Community Resources, Inc.	2

American Red Cross-Cambridge	2
American Student Assistance	4
American Training Inc for LARE	1
Asian American Civic Association	9
Associated Industries of Massachusetts, Inc.	1
Baystate Health	2
Becker College - Accelerated Studies	2
Bedford High School	1
Behavioral Health Network	1
Bella Luna Restaurant Inc	1
Berkshire Community College	1
Berkshire Works	3
BEST Corp.	4
Blue Cross Blue Shield of Massachusetts	1
Blue Hills Adult Education	3
Boston Career Link	5
Boston Day and Evening Academy	2
Boston HERC	3
Boston Housing Authority	2
Boston Private Bank & Trust Co. (Boston)	1
Boston Private Industry Council	8
Boston Public Schools - Central Administration School Committee	2
Boston University School of Medicine	1
Brazilian Immigrant Center	3
Bridgewell, Inc.	1
Brigham & Women's Hospital	3
Brigham and Women's Faulkner Hospital	2
Bristol Community College	8
Bristol Community College - Davol St	4
Bristol Community College - Elsbree Street	6
Brockton Area Workforce Investment Board - YouthWorks	1
Brockton Housing Authority	2
Brockton Public Schools	1
BrunoFox Group	2
Bunker Hill Community College	9
Cambridge Community Learning Center	2
Cambridge Housing Authority	1
Cambridge Office of Workforce Development	1
Cape Cod Community College	1
Cape Cod Community College - Access	2
Cape Cod Community College- Main St	1
Career Center of Lowell	1
Career Collaborative, Inc.	12
Career Counselors Consortium	6
CareerPoint	19
Catholic Charities El Centro del Cardenal	1
CCRI - Workplace Solutions	1
Center for Childcare Careers	1
Center for Human Development	4
Center for Human Development - High St	2
Central MA WIB	1
Central Mass Employment Collaborative	2
Central Massachusetts Housing Alliance (CMHA)	4
Charles River Public Internet Center	2
Chelsea Housing Authority	1
Child Care Circuit (Community Day Care of Lawrence, Inc.)	1

Child Care Outlook (Community Action of the Franklin, Hampshire and North Quabban Regions)	2
Children's Services of Roxbury, Inc. - 520 Dudley St.	1
City Hall-Springfield	1
City of Cambridge	1
City of Cambridge Community Development Department	1
Coastline Elderly Services Inc.	2
Coleman Assembly & Packaging	1
College Bound Dorchester (FKA Federated Dorchester Neighborhood House)	5
Commonwealth Corporation - Main Office (Oliver Street)	14
Commonwealth Corporation - Main Street	1
Commonwealth of Massachusetts, EOLWD	1
Community Action of Franklin/Hampshire	6
Community Action of the Franklin, Hampshire, and North Quabbin Regions	2
Community Action Youth Programs	3
Community Counseling of Bristol County	4
Community Counseling of Bristol County-Main Address	2
Community Education Project	1
Community Enterprises, Inc. - Holyoke	2
Community Servings	3
Community Teamwork, Inc.	1
Community Teamwork, Inc. - 21 Walker St	1
Community Teamwork, Inc. - Merrimack St	2
Community Work Services	3
COMPASS Community College Collaborative	1
COMPASS for Kids	2
Consultant	2
Corporation for Public Management	4
Crittenton Hastings House	1
Crittenton Women's Union	5
Crittenton Women's Union - Brighton	2
Crittenton Women's Union - S. Boston	4
Crittenton Women's Union (Administrative Office)	3
Crossroads Family Center	3
Crossroads Family Shelter	1
Department of Housing and Community Development (DHCD) - Cambridge St	4
Department of Housing and Community Development-Congress St	1
Department of Labor and Workforce Development- Executive Office of Labor and Workforce Devel	1
Department of Mental Health	4
Department of Veterans Affairs - Boston	1
Department of Veterans Affairs - Leeds	1
Department of Youth Services Initiative	1
Department of Youth Services-Boston	1
Devine Intervention	1
Domus, Inc.	2
Dorcas International Institute of Rhode Island	1
East Boston Harborside Community School	3
Easter Seals MA - Boston	3
Easter Seals MA - Worcester	1
El Centro del Cardenal	1
Eliot Community Human Services- Danvers	12
Eliot Community Human Services-Gloucester	1
Eliot Community Human Services-Lynn	1
Emmaus, Inc.	4
Employment and Training Resources	1
Employment and Training Resources - Framingham	2
Employment Links, Inc.	3

English Works	1
Fall River Housing Authority	2
FamilyAid Boston	2
Father Bill's & MainSpring	3
Father Bills & MainSpring - Administrative Office	1
Father Bill's& MainSpring	1
Federal Reserve Bank of Boston	1
FOCRLS	1
Framingham Housing Authority	4
Franklin County Sheriff Office	2
Franklin Hampshire Career Center	1
Franklin Hampshire Career Center - Greenfield	9
Franklin Hampshire Career Center - Northampton	10
Franklin Hampshire REB	1
Franklin Hampshire Regional Employment Board	4
Friends of CRLS	1
FutureWorks	3
Gateway Community College	1
Golden Education Services, Inc	1
Goodwill Industries of RI	1
Greater New Bedford Career Center	4
Greenfield Community College	2
Greig Cranna Photographer	1
Grove Hall Child Development Center	1
Hampden County Sheriff Department - Ludlow	4
Hampden County Sheriff's Department Women's Correctional Center	1
Hampden County Sheriff's Department-736 State St	3
Hampden County Sheriff's Department-Alabama St	1
Hampden County Sheriff's Department-Randall Road	1
Hampshire Educational Collaborative - Northampton	2
HAP Housing	1
HAP, Inc.	5
Harvard University	1
HCC	2
Heading Home Inc. - Family Homeless To Housing Office	4
Holyoke Community College	7
HomeFunders LLC	1
HomeGoods - Seekonk	1
Housing Assistance Corporation (HAC) on Cape Cod	1
Human Resources Unlimited	1
Inquilinos Boricuas en Acción (IBA)	8
Institute for Community Inclusion (ICI) /UMass Boston - 100 Morrissey	1
Institute for Community Inclusion / UMass Boston	1
Institute on Assets & Social Policy	1
Institute on Assets and Social Policy	2
Institute on Assets and Social Policy, The Heller School for Social Policy and Management, Brandie	2
International Institute of Lowell	4
Jamaica Plain Community Center Adult Learning Program	1
Jamaica Plain Community Centers Adlult Education Program- Main Address	2
Jamaica Plain Community Centers Adult Learning Program-Curtis Hall Community Center	1
Jamaica Plain Neighborhood Devt Corp	3
Jewish Vocational Service (JVS)	2
Jewish Vocational Service (JVS), Boston	14
Jewish Vocational Services (JVS) Center for Careers & Lifelong Learn	2
JFY Networks	1
Job Corps	1

JobNet	8
Jobs and Community Services	1
Jobs for the Future	4
JVS	2
La Alianza Hispana, Inc	1
Labyrinth Learning	1
Laura Pedone, Life & Career Coach	1
Lawrence CommunityWorks Inc. (LCW)	3
Lazarus House Ministries	3
Leominster Job Seekers Group	2
Lighthouse - Human Resources Unlimited	1
Local Initiatives Support Corporation (LISC) - Boston	1
Lorei Consulting	1
Luk, Inc- Worcester	1
Lutheran Social Services - Main Address (Wellesley)	1
Lutheran Social Services - West Springfield	2
Lutheran Social Services - Westfield	1
LVGW	1
Madison Park Development Corporation	2
MAPFRE Insurance	1
Marshalls - Swansea	1
Martha Oesch	2
Mass Bay Community College	4
Mass Department of Corrections - Fitchburg	1
Mass GAMing Commission	2
Massachusetts Commission for the Blind - Springfield	2
Massachusetts Commission for the Blind - Worcester	1
Massachusetts Community Colleges & Workforce Development Transformation Agenda	1
Massachusetts Department of Elementary and Secondary Education	1
Massachusetts Education and Career Opportunities Inc.	1
Massachusetts Manufacturing Extensions Partnership (MassMEP)	2
Massachusetts Network of Foster Care Alumni	3
Massachusetts Rehabilitation Commission	1
Massachusetts Rehabilitation Commission (MRC) Greenfield	4
Massachusetts Rehabilitation Commission (MRC) New Bedford	2
Massachusetts Rehabilitation Commission (MRC) Springfield	1
Massachusetts Workforce Professionals Association (MWPA)	1
Massasoit Community College	6
MassBay Community College	2
MassEdCO	2
Maverick Landing Community Service, Inc	4
MCCWDTA	2
MCI-Framingham	2
Medford Housing Authority	2
Merrimack Valley Workforce Investment Board	1
Methuen Adult Learning Center	1
Methuen Housing Authority	1
Metro South/West ETA	2
Metropolitan Boston Housing Partnership	8
Middlesex Community College	2
Middlesex Sheriff's Office	2
More Than Words	1
Morgan Memorial Goodwill Industries	1
Mount Wachusett Community College	1
Mount Wachusett Community College-Devens	1
Mt Auburn Associates	1

Mt. Auburn Associates	1
Mt. Wachusett Community College ABE/ESOL	3
Mt. Wachusett Community College-Leominster	1
National Senior Network	1
National Training Associates	1
New Bedford Career Center	2
New England Business Associates	4
New England Center for Homeless Veterans	1
New England Farm Workers Council	1
New England Farm Workers' Council	1
New England Farm Worker's Council (NEFWC) - 225 High St., Holyoke	3
New England Farm Workers Council (NEFWC) - Springfield	4
New England Farm Workers' Council Inc	1
Next Steps	2
Norfolk County Sheriff's Office	3
North Andover Housing Authority	1
North River Collaborative	1
North Shore Career Center of Lynn	3
North Shore Career Center of Salem	1
North Shore Community College	4
North Suffolk Mental Health Association - East Boston	1
Northampton Career Center	4
Northeast SABES/NECC, Merrimack Street	1
Northeastern University-360 Huntington	1
Northern Essex Community College Riverwalk	1
Northshore Community College	2
Notre Dame Education Center - Lawrence	2
Notre Dame Education Center - South Boston	5
Office of Jobs and Community Services (JCS)	8
Old Colony Planning Council	1
One Family, Inc.	4
O'Neill and Associates	1
Operation ABLE of Greater Boston	1
Operation ABLE- Portland	3
Operation Bootstrap	1
PACE HOUSING	1
Partners HealthCare	2
People Incorporated	10
Phoenix House - Berkshire County Community Corrections Center	1
Pine Street Inn	2
Pioneer Valley Area Health Edu Ctr.	1
Pittsfield Adult Learning Center	1
Plymouth Career Center	1
Project HOPE	4
Putnam County Board of Education	1
Quaboag Valley Community Development Corporation	3
Quincy Career Center	1
Quincy Community Action Programs (QCAP) - Administration (Hancock St)	1
Quinsigamond Community College (QCC) - W Boylston St	2
Quinsigamond Community College	1
Quinsigamond Community College	2
Quinsigamond Community College - SABES	1
Randolph Community Partnership, Inc.	1
Raytheon Company	1
Regional Employment Board of Hampden County	1
RI Adult Education Professional Development Center	1

River House, Inc.	1
Roca in Springfield	1
Roca, Inc. - Chelsea	4
Root Cause	1
Roxbury Community College	2
SABES-Central	3
Saint Francis House	1
School and Comm. Assoc.	1
SER-Jobs for Progress, Inc.	9
Seven Hills Behavioral Health (fka Center for Health and Human Services)-Gifford Street	3
Shropshire Ichton & Co. Graphic Design	1
SkillWorks	2
Somerville Community Corporation	1
South Middlesex Opportunity Council (SMOC) - Main Office, Framingham	6
South Shore Housing Development Corporation (South Shore HDC)	10
south shore mental health	1
South Shore Workforce Investment Board - SSWIB	1
Spaulding Rehabilitation Network	1
Spectrum Health Systems, Inc. - Worcester	3
Springfield City Library	1
Springfield Housing Authority - Nursery Street	1
Springfield Partners for Community Action, Inc.	6
Springfield Technical Community College	7
SSYI New Bedford	1
St. Francis House - Boston	1
STCC	1
Straight Ahead Ministries	4
Taunton Area School to Career, Inc.	2
Taunton Career Center	1
Taunton Public School/BCC Adult Edu	1
The Arc of Greater Plymouth	5
The Boston Foundation	2
The Caleb Group/Mohawk Forest	1
The Career Place - Sylvan Road	5
The Career Place - Trade Center	2
The Collaborative for Educational Services	1
The Community Builders - Worcester	4
The ICA Group	1
The Immigrant Learning Center Inc.	3
The Neighborhood Developers, Inc. (TND) (FKA Chelsea Neighborhood Developers and Chelsea N	3
The Plus Company, Inc.- Tewkesbury MA	1
The PLUS Company, Inc.-NH	2
The Strategy Group, Inc.	1
The Work Place	4
TJ Maxx - North Dartmouth	2
TJ Maxx - Wareham	1
TJX - Framingham	4
Tradewinds	3
Training Resources of America Inc. Western Mass	1
Training Resources of America, Inc.	5
Training Resources of America, Inc. - Holyoke	2
Training Resources of America, Inc. - Quincy	3
Transitions of Boston/Baycove Human Services	1
UMASS Medical School - Shrewsbury	2
United South End Settlements	1
United Way of Massachusetts Bay and Merrimack Valley	3

University of Massachusetts (U. Mass or UMass) Boston	1
University of Massachusetts Medical School	2
US Trust, Bank of America, N.A.	1
USDOL ETA	1
USpin	1
Valley Opportunity Council, Inc. (VOC) - Main Office (Holyoke)	1
Valley Opportunity Council, Inc. (VOC) Workforce Program	3
Vinfen_ETC	3
Webster ABE - E. Main St	2
West Bay Collaborative	1
Women's Lunch Place	3
WORCESTER HOUSING AUTHORITY	6
Worcester Youth Center- Main Address	5
Workforce Central - Southbridge	1
Workforce Central Career Center- Worcester	3
Workforce Results	1
Year Up	3
YMCA Old Colony	1
You Inc. - Milford	2
You Inc. - Worcester	4
Youth Options Unlimited	1
Youth Options Unlimited Boston	1
YouthBuild Boston	6
YouthBuild Lawrence	2
YouthBuild New Bedford	2
YouthBuild/Just A Start - Cambridge St	2
YouthBuild/Just A Start - Columbia St	1
YWCA Central MA (Worcester)	2
YWCA of Western MA - Springfield	4
Total Number of CWC attendees in FY14	892
Total Number of Organizations Participating in FY14	378

Community Economic Development Assistance Corporation
Summary of Child Care Loans - 2014

ProjectNum	Borrower Name	Project Name	Municipality	AmountAuthorized	Low Income Children		Loan Type
					Served	Total Children Served	
3257	Family Nurturing Center	Bowdoin Street	Boston	\$125,000.00	1,545	1,626	Predevelopment
3257	Family Nurturing Center	Bowdoin Street	Boston	\$250,000.00			Acquisition
3324	Brockton Day Nursery	BDN Expansion & Renovation	Brockton	\$10,000.00	213	221	Predevelopment
3325	Hattie B Cooper Community Ctr	1891 Washington Street	Boston	\$350,000.00	100	100	Acquisition
3325	Hattie B Cooper Community Ctr	1891 Washington Street	Boston	\$15,000.00			Predevelopment
3326	Beverly Children's Learning Ctr	550 Cabot Street Relocation	Beverly	\$887,500.00	129	159	Acquisition
3326	Beverly Children's Learning Ctr	550 Cabot Street Relocation	Beverly	\$186,750.00			Predevelopment
3332	Catholic Charities	Lynn Child Care Renovation	Lynn	\$46,525.00	110	113	Predevelopment
3342	Tri-Community Child Development Ctr	Tri-Community YMCA	Southbridge	\$13,950.00	68	69	Predevelopment
6 Projects - Total				\$1,884,725.00	2,165	2,288	
				% Low Income	95%		

CIF Events of FY14	Event Dates
Building Stronger Centers VI (FY2014)	11/13/13-11/15/13
Let's Take it Outside: Natural Play Space Training - Boylston	06/04/14
Let's Take it Outside: Natural Play Space Training - Boston	06/09/14
Organization who attended CIF Events in FY14	# of Attendees per Org
For Kids Only Afterschool, Inc. - Administrative Office	2
Open Center for Children	1
Massasoit Community College	3
Paige Academy	1
The SPARK Center	1
Camp Fire Eastern Massachusetts	1
Greater Lawrence Community Action Council (GLCAC) - Administrative Offices	4
Catholic Charities, Lynn Child Care Center	2
Melrose Day Care Center, Inc.	2
Elizabeth Stone House	5
Shattuck Child Care Center	2
Boys & Girls Club of Greater Salem	3
Brockton Day Nursery, Inc.	4
Project HOPE	1
South Shore Stars	2
Merrimack Valley YMCA	1
Crispus Attucks Children's Center	1
The Steeple School of Trinity Church	1
Community Teamwork, Inc. - Merrimack St	1
Agassiz Baldwin Community	4
Horizons for Homeless Children	1
Grove Hall Child Development Center	1
Epiphany School	4
Roxbury Multi-Service Center	3
Ellis Memorial Children's Center	2
Cape Cod Child Development Program, Inc.	2
Catholic Charitable Bureau of the Archdiocese of Boston, Inc. (Catholic Charities, Boston) - Administrative Offices	1
Nonotuck Community School	1
New Creation Child Care Center	1
MA Department of Early Education and Care (EEC)	1
Valley Opportunity Council, Inc. (VOC) - Main Office (Holyoke)	5
YMCA of Greater Springfield, Inc.	1
Gandara Mental Health Center	1
Holyoke Chicopee Springfield Head Start, Inc. (HCS Head Start) - Main Office	2
Springfield Partners for Community Action, Inc.	4
NorthStar Learning Centers, Inc.	2
Tri-Community YMCA	5
Greater Visions Children's Center	7
Edward Street Child Services	1
Webster Square Day Care Center, Inc. - Main Office (Main Street)	4
Quinsigamond Children's School	2
East Boston Social Center	1
Guild of St. Agnes - Main Office	1
YMCA of MetroNorth fka YMCA Greater Lynn and fka Melrose Family YMCA	1
Interaction Institute for Social Change (IISC)	1
Catholic Charitable Bureau of the Archdiocese of Boston, Inc. (Catholic Charities, Boston)	1
Sussman Associates	1
Children First Enterprises, Inc.	1
Cambridge Community Center, Inc.	1
The Community Art Center, Inc.	2

studioMLA/Michael Lindstrom Associates Architects	1
Pinck & Co, Inc.	1
MADCA	1
Springfield Day Nursery Corp. d/b/a Square One - Corporate Office	3
Brookview House, Inc.	3
Beverly Children's Learning Center	3
Community Resource Consulting LLC	1
Hattie B. Cooper Community Center	2
VIVA Consulting	1
Ellis Memorial & Eldredge House, Inc.	1
Worcester Child Development Head Start Program	1
Elm Park Center for Early Childhood Education	2
Springfield College Child Development Center	1
Worcester Public Schools	1
MOC Child Care and Head Start Services - Fitchburg	2
Montachusett Opportunity Council- Broad St.	1
Worcester Community Action Council (WCAC) - Main Office, Worcester	1
Rainbow Child Development Center	2
You Inc Cottage Hill Academy	1
Quincy Community Action Programs, Inc. Head Start	1
Monument Square Early Childhood Center	1
Christ Church Parish Day School	2
Springfield College	1
MetroWest YMCA - Framingham Branch	1
Community Action, Inc. - Fox Center/Head Start Administration	1
Kid's Club (at SHED Inc.)	1
Department of Early Education and Care (EEC) - Taunton	1
MGH Back-Up Child Care Center	2
Arlington Heights Nursery School	2
Self Help Inc., Head Start	1
Maplewood Enrichment Center	1
Wang YMCA of Chinatown	1
On The Right Track	1
South Shore Head Start & Child Care - Kingston	1
Newton Community Service Center	2
Department of Early Education and Care- Quincy	1
South Shore Early Education	1
Boston Medical Center Corporation (BMC) - SPARK	2
Self Help, Inc. Head Start - Howard St, Brockton	1
Total # of CIF Attendees in FY14:	157
Total # of Organizations Attending in FY14:	89

Community Economic Development Assistance Corporation
Summary of Home Modifications for the Disabled Loan Program - 2014

Name	Number of Loans	Total Loan Commitments
Abington	1	\$3,539
Acushnet	2	\$31,888
Agawam	1	\$3,850
Amesbury	4	\$66,513
Ashburnham	1	\$32,500
Attleboro	3	\$66,513
Auburn	2	\$21,327
Avon	2	\$64,921
Ayer	2	\$33,190
Barnstable	4	\$88,695
Bellingham	2	\$8,600
Belmont	1	\$32,500
Bernardston	3	\$30,975
Billerica	1	\$12,290
Blackstone	1	\$32,121
Boston	6	\$126,493
Bourne	2	\$42,844
Braintree	1	\$32,500
Dennis	1	\$32,500
Duxbury	1	\$32,500
East Longmeadow	1	\$32,305
Eastham	1	\$32,500
Easthampton	4	\$113,933
Everett	1	\$18,300
Fall River	1	\$27,235
Falmouth	2	\$33,630
Fitchburg	3	\$34,701
Franklin	1	\$32,500
Gardner	2	\$63,614
Gill	1	\$29,145
Granville	1	\$29,054
Greenfield	1	\$32,440
Lakeville	1	\$10,286
Lancaster	1	\$32,500
Leicester	2	\$18,898
Lenox	1	\$32,500
Leominster	4	\$84,655
Lowell	4	\$69,540
Lunenburg	1	\$32,500
Lynn	3	\$97,500
Malden	1	\$2,350
Marlborough	1	\$12,888
Marshfield	3	\$61,360
Mashpee	4	\$84,030
Middleborough	2	\$30,828
Natick	1	\$32,500
Newton	3	\$42,600
North Adams	1	\$22,375

Community Economic Development Assistance Corporation
Summary of Home Modifications for the Disabled Loan Program - 2014

Name	Number of Loans	Total Loan Commitments
North Attleborough	1	\$16,334
Northampton	2	\$31,275
Northfield	1	\$4,130
Pittsfield	1	\$15,251
Plymouth	7	\$152,956
Randolph	2	\$41,500
Raynham	2	\$15,260
Reading	1	\$32,500
Revere	1	\$11,600
Rowley	1	\$32,500
Sandwich	3	\$35,000
Saugus	2	\$55,280
Sharon	1	\$29,065
Shrewsbury	2	\$33,750
Somerville	2	\$58,675
Southborough	1	\$19,176
Southwick	2	\$64,990
Sturbridge	2	\$33,465
Townsend	1	\$28,915
Uxbridge	2	\$61,075
Waltham	3	\$52,690
Ware	1	\$31,660
Wareham	4	\$82,061
Warren	4	\$71,517
Webster	1	\$32,500
Westfield	3	\$65,970
Westford	1	\$32,500
Westhampton	1	\$25,087
Weymouth	2	\$48,680
Wilbraham	1	\$11,170
Woburn	1	\$32,500
Worcester	1	\$32,500
Total	228	\$4,919,025



**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
WITH GOVERNMENT AUDITING STANDARDS AND
OMB CIRCULAR A-133
JUNE 30, 2014 AND 2013
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**CONTENTS
JUNE 30, 2014 AND 2013**

	<u>PAGES</u>
UNMODIFIED OPINION ON COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS ACCOMPANIED BY OTHER INFORMATION – GOVERNMENTAL ENTITY	1 - 1B
MANAGEMENT’S DISCUSSION AND ANALYSIS	2 - 11
COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined Statements of Net Position	12 - 13
Combined Statements of Revenues, Expenses and Changes in Net Position	14 - 15
Combined Statements of Cash Flows	16 - 17
Combined Statements of Fiduciary Net Position	18
Notes to Combined General Purpose Financial Statements	19 - 40
SUPPLEMENTARY INFORMATION:	
Combined Statements of Functional Expenses	41 - 42
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	43
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	44 - 45
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	46 - 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	48 - 49

Where Every Client is a Valued Client

**UNMODIFIED OPINION ON COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
ACCOMPANIED BY OTHER INFORMATION –
GOVERNMENTAL ENTITY**

Independent Auditor's Report

To the Board of Directors of
Community Economic Development Assistance Corporation and Affiliate:

Report on the Combined General Purpose Financial Statements

We have audited the accompanying combined general purpose financial statements of Community Economic Development Assistance Corporation (CEDAC), a component unit of the Commonwealth of Massachusetts, and Children's Investment Fund, Inc. (a Massachusetts corporation, not for profit) (the Fund), which comprise the combined statements of net position as of June 30, 2014 and 2013, and the related combined statements of revenues, expenses and changes in net position, cash flows and fiduciary net position for the years then ended, and the related notes to the combined general purpose financial statements.

Management's Responsibility for the Combined General Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these combined general purpose 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 combined general purpose 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 combined general purpose 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 audits to obtain reasonable assurance about whether the combined general purpose financial statements are free from material misstatement. The financial statements of the Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined general purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined general purpose 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 combined general purpose 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 combined general purpose 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 combined general purpose financial statements referred to on page one present fairly, in all material respects, the combined net position of Community Economic Development Assistance Corporation and Affiliate as of June 30, 2014 and 2013, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 11 be presented to supplement the basic combined general purpose financial statements. Such information, although not a part of the basic combined general purpose financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic combined general purpose financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined general purpose financial statements, and other knowledge we obtained during our audit of the basic combined general purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the combined general purpose financial statements as a whole. The accompanying supplementary combined statements of functional expenses for the years ended June 30, 2014 and 2013, are presented for the purpose of additional analysis and are not a required part of the combined general purpose financial statements. In addition, CEDAC's Schedule of Expenditures of Federal Awards for the year ended June 30, 2014, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the combined general purpose 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 combined general purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined general purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined general purpose financial statements or to the combined general purpose 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 combined general purpose financial statements as a whole.

To the Board of Directors of
Community Economic Development Assistance Corporation and Affiliate
Page III

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2014, on our consideration of CEDAC'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 CEDAC's internal control over financial reporting and compliance.

Alexander, Brown, Pinney & Co., P.C.

Boston, Massachusetts
September 18, 2014

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013**

Our discussion and analysis of the financial performance of Community Economic Development Assistance Corporation (CEDAC) provides a summary of financial activities for the fiscal year ended June 30, 2014.

Background

CEDAC is a quasi-public agency of the Commonwealth of Massachusetts (the Commonwealth), established as a public corporation by state legislation in 1978, to provide technical assistance to nonprofit community-based development organizations to help them carry out community economic development activity in economically distressed areas of the state. CEDAC is also a 501(c)(3) tax-exempt corporation. A nine member Board of Directors drawn from the public and private development sectors is appointed by the Governor to oversee CEDAC's corporate affairs and set policy for the corporation.

CEDAC supports the community development needs of community-based nonprofit organizations by offering flexible capital financing, technical support and assistance, and training in the areas of affordable housing development, workforce development, and early education and out-of-school time care. Affordable housing development is CEDAC's largest program. CEDAC is the primary provider of pre-development risk capital to nonprofit community-based organizations in Massachusetts. While bankrolling critical early seed money needs in the form of acquisition and pre-development loans, CEDAC also provides nonprofit developers with its staff's expertise in real estate finance and development and strategic project management. In addition to its pre-development lending program, CEDAC also serves as underwriter of Housing Innovations Fund, Facilities Consolidation Fund, Community-Based Housing, and Housing Preservation and Stabilization Trust Fund loans, four state-financed permanent loan programs of the Commonwealth's Department of Housing and Community Development (DHCD).

CEDAC supports workforce development-based programs through its program, the Commonwealth Workforce Coalition (CWC), a program that provides technical assistance, training, and strategic planning services to community-based and partner organizations engaged in workforce development.

Through its affiliate organization, the Children's Investment Fund, Inc. (the Fund), CEDAC provides a full-range of financing and technical services options for early education and out-of-school time providers and other child and family serving organizations seeking to construct or improve their facilities. In addition to providing technical expertise, the Fund offers pre-development, site acquisition, and term loans, along with a small number of pre-development planning grants, as available, to help finance the cost of developing capital projects, leasehold improvements, and equipment on flexible loan terms that meet the needs of child care providers of all sizes.

Due to its unique experience providing technical assistance and capital financing, and deep experience with the early education and out-of-school time program operations, the Department of Early Education and Care (EEC) contracted with CEDAC to administer a new capital fund: the Early Education and Out of School Time (EEOST) Capital Fund, which was authorized as part of the community development bond bill passed by the Massachusetts Legislature in July, 2014. The Legislature authorized up to \$45 million of public financing to support nonprofit center-based early education and out-of-school time programs. With the EEOST Capital Funds, EEC may award grants or loans to providers to support acquisition, design, construction and/or renovation of the centers funded.

CEDAC also serves as fiscal intermediary for public agencies or other nonprofit organizations to administer capital programs that complement CEDAC's community development programs, utilizing CEDAC's programmatic expertise. In these cases, CEDAC and its partner agencies have joint responsibility for the program administration, with CEDAC administering the financial resources associated with the program.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013
(Continued)**

Using This Report

This financial report consists of the combined general purpose financial statements that report the activities of CEDAC and present CEDAC's financial picture as a whole, as well as CEDAC's component unit, the Fund. A change in the guidance from the Governmental Accounting Standards Board over the reporting over component unit required the Fund to be combined beginning in June 30, 2013. Because CEDAC maintains substantial control over the Fund's governance and financial resources, the Fund's financial statements are required to be combined with CEDAC's. However, because CEDAC does not bear any financial burden or derive any significant financial benefit from the Fund, the Fund's financial statements are reported separately from CEDAC's financial statements in a discrete column in each financial statement. A final total column, presented as a "memorandum only", is provided solely to aid the reader in understanding the total combined magnitude of CEDAC's and the Fund's finances and not to imply any economic dependence between the entities.

The Combined Statements of Net Position for fiscal year 2014 and a comparative year, 2013, are found on pages 12 and 13, respectively, and show the current and long-term assets held by CEDAC, and the current and long-term liabilities owed at the end of the fiscal year. The difference between assets and liabilities on the Combined Statements of Net Position is reported as the net position, according to three different classifications: Net position invested in capital assets; Restricted expendable net position; and Unrestricted net position. Net position invested in capital assets reports the fixed assets used by CEDAC.

CEDAC has not financed the purchase of any fixed assets and there is no debt outstanding on these capital items. Accordingly, the net position invested in capital assets reflects the cost of furniture and fixtures and leasehold improvements, net of accumulated depreciation. The restricted expendable net position includes the activities of CEDAC's CWC for fiscal years 2014 and 2013. Also included in restricted expendable net position in 2013 are restricted grant resources for a portion of CEDAC's housing preservation program activities. All expendable net positions are intended by the donor to be available for disbursement for program purposes until the net position equals zero. Unrestricted net position includes those net positions over which CEDAC's Board of Directors exercises control, without any restriction or capital designation. The Board has elected to allocate the majority of CEDAC's unrestricted net position to support CEDAC's lending programs. That net position is reported as CEDAC Loan Funds. Additional unrestricted net resources are allocated to an operating reserve to help support corporate operations and a designated loan loss reserve to help offset extraordinary loan losses.

The Combined Statements of Revenues, Expenses and Changes in Net Position for fiscal years 2014 and 2013 found on pages 14 and 15, respectively, report CEDAC's earned and contributed income received during the year, as well as the years' expenses.

The Combined Statements of Cash Flows for fiscal years 2014 and 2013 found on pages 16 and 17, respectively, report how CEDAC received and used cash during the year. Supplementary schedules, the Combined Statements of Functional Expenses for fiscal years 2014 and 2013, can be found on pages 41 and 42, respectively. The Combined Statement of Functional Expenses, presented as supplemental information, shows how CEDAC's expenses break down among the loan funds and program areas for the year.

The Combined Statements of Fiduciary Net Position are found on page 18, and summarize the financial activity associated with the funds managed by CEDAC as fiscal intermediary.

Beginning on page 19 are notes provided to further explain the balances and information contained in the combined general purpose financial statements.

The Fund also prepares separate annual audited financial statements in accordance with accounting principles applicable to non-governmental not-for-profit entities as promulgated by the Financial Accounting Standards Board (FASB).

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013
(Continued)**

CEDAC Housing Programs

CEDAC continues to experience a steady volume of lending activity for its high risk pre-development lending program and a high volume of activity for subordinate permanent financing offered through the four state supported housing finance programs administered by CEDAC: the Housing Innovations Fund, Facilities Consolidation Fund, Community-Based Housing, and the Housing Preservation and Stabilization Trust Fund programs. CEDAC's pre-development lending program utilizes a short-term loan product that allows nonprofit borrowers to access capital resources to help fund a project's pre-development phase, usually a three to five year timeframe. In a constrained resource environment, CEDAC's pre-development capital is most critical because the capital is able to be patient and remain as active loans in these projects until the longer term financing is committed to fund project costs, at which point the CEDAC pre-development loan is repaid.

CEDAC's pre-development support has had a stabilizing effect on the nonprofit affordable housing development system in Massachusetts as the economy has transitioned from recession to recovery to modest growth. Without this pre-development resource and the critical liquidity that it provides to advance projects effectively, many nonprofit developers would be forced to abandon partially developed projects and lose their financial investment in those projects because they lacked the resources to carry projects for a longer than anticipated holding period, or would be forced to borrow on very unfavorable terms.

During 2012, the Commonwealth was emerging from the recession and the availability of subordinate debt capital used to finance affordable housing projects had been constrained since the recession. By late 2012 with the recovery underway, the administration was able to allocate an additional \$10 million of subordinate permanent capital to help advance more projects into construction, although demand continued to outstrip supply. In response, the Commonwealth modified its application process in 2013 to help developers prioritize their organizational investment in their project pipeline. The state instituted a pre-application process to allow for an early review of the potential projects statewide, and created four priority categories by which all projects are evaluated. All projects are required to meet at least one priority category in order to proceed to a full application. Through this process, developers are notified at earlier stages in a project's development cycle whether the proposed project meets the state's affordable housing priorities and whether the project is sufficiently advanced to submit a full and competitive funding application. The result of the modified application process is a better match of supply and demand for the subordinate debt resources. By the end of fiscal year 2013, there was better alignment of supply and demand in the state's housing pipeline. The continued improvement in the Massachusetts economy and state budget enabled the Patrick Administration to allocate additional capital resources to the housing development system during 2014, thereby enabling the Administration, through the pre-application process, to invite more projects to compete for funding resources. As the resource environment has grown, and nonprofit developers have adjusted to the new application system, they began to build project pipelines in late 2013 and 2014 and pursue development opportunities.

CEDAC's pre-development lending programs and our financial results between 2012 and 2014 were impacted by the larger economic climate and the availability of state housing resources. Fiscal year 2012 showed continued recovery from the recession, with a steady level of commitment activity across our loan portfolio. Pre-development commitments declined in fiscal year 2013, largely in response to the Patrick Administration's effort to manage the state's housing pipeline, to better match project demand with the supply of capital, as indicated above. Housing developers responded by targeting their pre-development efforts to those projects that were most likely to advance in the state funding round, and by 2014, with the improving economy and modestly expanded capital resources, CEDAC saw a return to loan demand that tracked better to housing developers who had accommodated to the system changes, and with the economy growing modestly, CEDAC saw a return to our anticipated post-recession loan demand, particularly for pre-development loan activity, with capital deployment trending on the lower end of our historic experience, which we anticipate may result from borrowers' hesitancy to incur large additional debt until later in the development cycle.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013
(Continued)**

CEDAC Housing Programs (Continued)

Total acquisition loan commitments have increased annually over the last three years, with a 12% increase from 2012 to 2013, followed by a 19% increase from 2013 to 2014. As the real estate market strengthens, developers are forced to act more quickly to secure site control, and seek acquisition financing as they advance their projects and seek permanent financing commitments. In each of the years reported, the portfolio includes some large site acquisition investments that are part of our housing preservation initiative explained below.

During the period of tight capital supply and high loan demand following the economic recession and recovery between 2011 and 2012, CEDAC's Board committed a portion of CEDAC's equity, sought a modification of an existing credit agreement to allow bridge loans, and raised additional capital to create a new bridge loan product to allow CEDAC to help projects move forward into construction and maintain the momentum in the housing pipeline. Repayment occurs when the Commonwealth's capital resources are released. The bridge product and demand for bridge financing was expected to be time limited, until the state capital resources align with project flow. During fiscal years 2013 and 2014, demand for the bridge program waned as anticipated.

The chart below illustrates the composition of our early stage lending portfolio at the end of each fiscal year, sorted by loan product. Year-end total portfolio is as follows:

<u>Portfolio Summary</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Pre-development Loans</u>			
Capital Available	\$13,350,231	\$13,024,341	\$12,759,322
Loan Commitments	\$13,159,069	\$10,112,557	\$11,083,373
Commitment Ratio	99%	78%	87%
Deployment Ratio	65%	68%	61%
<u>Acquisition Loans</u>			
Capital Available	\$33,268,494	\$33,636,778	\$31,619,926
Loan Commitments	\$24,616,547	\$20,609,329	\$18,350,872
Commitment Ratio	74%	61%	58%
Deployment Ratio	82%	74%	92%
<u>Bridge Loans</u>			
Capital Available	\$ 4,000,000	\$ 4,000,000	\$ 4,750,000
Loan Commitments	\$ -	\$ 775,000	\$ 3,403,113
Commitment Ratio	- %	19%	72%
Deployment Ratio	N/A	31%	58%

Pre-development, Acquisition and Bridge Loan Demand

Annual commitments to projects declined between 2012 and 2013, and then rebounded in fiscal year 2014. As indicated above, the housing development system was constrained early in this period, and the Commonwealth worked to better match the availability of resources to the pipeline of projects in development state-wide. By 2014, the housing development system had recalibrated, resulting in annual commitments trending to more historic levels. CEDAC's Housing Preservation initiative continues to be a key driver of annual acquisition loan commitments, which we anticipate will continue for the next few years. In each of the years noted below, two to three large projects account for a significant portion of acquisition commitments. In fiscal year 2012, commitments totaling \$9.7 million were made to support three additional projects, although one of those three projects received a \$1.8 million commitment early in the year and repaid just prior to year-end, resulting in lower year-end portfolio figures than would normally be anticipated given the annual commitment volume in fiscal year 2012. In fiscal year 2013, two additional projects received commitments of \$7 million, and in fiscal year 2014, three loans accounted for \$8.8 million of the total.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013
(Continued)**

Pre-development, Acquisition and Bridge Loan Demand (Continued)

The following chart summarizes the annual loan commitments made over the last three years:

Annual Loan Commitments	2014		2013		2012	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Pre-development loans	\$ 7,080,746	35%	\$ 4,123,625	34%	\$ 7,510,418	36%
Acquisition loans	13,027,746	65	8,064,004	66	10,051,037	48
Bridge loans	-	-	-	-	3,278,113	16
Total	<u>\$20,108,492</u>	<u>100%</u>	<u>\$12,187,629</u>	<u>100%</u>	<u>\$20,839,568</u>	<u>100%</u>

Housing Preservation

During 2009, CEDAC was awarded a grant of \$1 million from the John D. and Catherine T. MacArthur Foundation (MacFound) to support a Massachusetts Housing Preservation Initiative. Massachusetts was one of twelve states awarded funding from MacFound through a highly competitive process, in which eighty public entities originally applied. With this funding, CEDAC, collaborating with other state and quasi-public agencies, monitors and identifies affordable housing properties at risk of loss of affordability at the expiration of a legally mandated affordability period and works with the owners to help maintain affordability either through the transfer of ownership to a nonprofit entity, or to renew affordability contracts with the Federal or state government. CEDAC also provides technical assistance and training to developers, owners, tenants, and state and local officials regarding Federal housing preservation programs and the state's new law, Chapter 40T, which regulates publicly-assisted multifamily rental housing. The two large acquisition loans committed in fiscal year 2012 totaling \$7.9 million mentioned above were Housing Preservation projects, and one of those projects, Chapman Arms, was the first project preserved utilizing the right of first refusal provisions in the state's Chapter 40T law. In the following two fiscal years, 2013 and 2014, there were similarly large acquisition loans committed that were Housing Preservation projects. In fiscal year 2013, two projects totaling \$7 million, and in fiscal year 2014, three projects totaling \$8.8 million were committed. With the number of Housing Preservation projects in Massachusetts with expiring affordability periods, we anticipate that there will be a steady volume of Housing Preservation transactions each year undertaken by nonprofit developers seeking to maintain affordability in these projects.

As part of the Massachusetts Housing Preservation Initiative, MacFound also committed a \$3 million Program-Related Investment (PRI) to provide capital to the preservation initiative to support pre-development and acquisition needs of the properties. Since the inception of the Massachusetts Housing Preservation Initiative in 2009, CEDAC has provided \$11.5 million in pre-development financing to forty-six projects and \$30.7 million in acquisition financing to twelve projects. These investments enabled 4,943 housing units throughout Massachusetts maintain affordability.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013**

(Continued)

Permanent Deferred Payment Funding Programs

Department of Housing and Community Development

CEDAC continued to serve as underwriter for DHCD for Housing Innovations Fund (HIF) loans, Facilities Consolidation Fund (FCF) loans, and Community-Based Housing (CBH) loans. HIF, FCF, and CBH loans are deferred payment permanent loans that fund affordable housing development. Demand for permanent deferred payment loans has also increased substantially in the last several years, and particularly in the last year. FCF in particular has experienced enormous demand as Department of Developmental Services (DDS) service providers respond to recent Federal and state litigation and the closing of state institutions aimed at expediting the move of DDS clients into community-based residences. The Department of Mental Health (DMH) has increased its goal for the production of community residential programs as well. Currently, CEDAC has over \$25 million of funding requests in hand for FCF capital.

As the economy has emerged from the recession, many low-income individuals and families have continued to struggle. Despite the housing development system creating and preserving affordable housing, the need continues, particularly as the rental market rebounds, vacancy rates decline, and market-rate rents rise. The Commonwealth's most vulnerable populations, in particular, struggle to find housing and obtain the supportive services they need in order to get back on their feet. These populations include homeless families and individuals, veterans, unaccompanied youth, elders, disabled persons, as well as other populations with similar needs. They are among those residents that the economic recovery has yet to reach.

Recognizing the challenge, the Patrick Administration targeted the additional capital resources funded in 2014 to supportive housing programs. Through an innovative new capital program, the Housing Preservation and Stabilization Trust Fund (HPSTF), the Commonwealth provided capital subordinate debt financing, partnered with funding for services, in order to fully support the financing needs of projects that serve these target populations. With the funding provided, the Commonwealth was able to support thirteen additional projects that it would not have been able to support otherwise. HPSTF loans are structured as deferred payment permanent loans with similar terms as the HIF, FCF and CBH programs. Through these capital programs, the Patrick Administration was able to achieve a key supportive housing goal, the production of 1,000 supportive housing units, in just over one year.

For all deferred payment loan programs administered, CEDAC is responsible for managing the funds between the time that they are received from DHCD and disbursed to borrowers. Therefore, they are reported on the combined general purpose financial statements as a net payable. Detailed information on gross loan receivable and note payable balances is reported on pages 25 through 29 of these combined general purpose financial statements. As capital spending allows, DHCD transfers funds for projects to CEDAC prior to disbursement. At the end of each fiscal year, CEDAC held the following outstanding loan commitment balances for HIF, FCF, CBH, and HPSTF as follows:

<u>Outstanding Commitments</u>	<u>2014</u>		<u>2013</u>		<u>2012</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
Housing Innovations Fund	\$15,086,376	49%	\$ 7,511,146	45%	\$ 7,083,787	38%
Facilities Consolidation Fund	6,079,128	20	5,183,250	31	7,000,991	37
Community-Based Housing	2,342,523	8	4,040,789	24	4,703,573	25
Housing Preservation and Stabilization Trust Fund	<u>7,000,000</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$30,508,027</u>	<u>100%</u>	<u>\$16,735,185</u>	<u>100%</u>	<u>\$18,788,351</u>	<u>100%</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013**

(Continued)

Department of Early Education and Care

In fiscal year 2014, the Massachusetts Legislature authorized a \$45 million general obligation bond as part of a community development bond bill. CEDAC provided technical assistance to the administering agency, the Department of Early Education and Care (EEC), to design the program and draft program regulations and other documents in the first year of operations. CEDAC has also been selected to perform underwriting and fiscal agent services for the annual capital allocations, with the underwriting and technical assistance to EEOST projects provided by the Fund. EEC anticipates announcing the first awards from the EEOST Capital Fund in fiscal year 2015.

Economic Development

CEDAC's CWC is a state-wide capacity building program providing professional development training and networking opportunities for staff engaged in workforce development, education, training, and employment for adults and youth. Topics for trainings and regional network meetings include best practices on employer engagement and improving program participants' soft skills. CWC hosts an annual one-day conference, Sharing Skills~Building Connections, that draws more than 350 professionals from around the state and offers a series of professional development workshops.

During fiscal years 2012 through 2014, CWC received annual funding from the United Way of Massachusetts Bay and Merrimack Valley and from SkillWorks, a funders collaborative based at The Boston Foundation. On a combined basis, these two funders provide between \$120,000 and \$125,000 to support CWC's core activities. In addition, between 2012 and 2014, CWC received additional funding from local donors to support regional peer learning network activities among five regions throughout the Commonwealth. CWC activities are reported in the combined general purpose financial statements as Restricted Program Funds.

Early Education and Care and Out of School Time Capital Program

CEDAC carries out its support of early education and out-of-school time programs through its affiliate, the Children's Investment Fund (the Fund). The Fund is a component unit of CEDAC, reported in CEDAC's combined general purpose financial statements and presented discretely in a separate column in each of the combined general purpose financial statements.

In operation since 1990, the Fund currently offers four programs:

- a **Technical Assistance and Lending Program** that offers a full range of financing and technical services options for early education and out-of-school time providers and other child and family serving organizations seeking to construct or improve their facilities;
- a **Provider Initiative and Policy Development Program** that has conducted a research study that includes comprehensive facilities standards that measure quality and age appropriate learning environments for children in early learning and after school programs. With the results of the research, the Fund partnered with the United Way of Massachusetts Bay and Merrimack Valley and community development advocates on a campaign to educate the public about the impact of facilities on program quality;
- **The Early Education and Out of School Time (EEOST) Capital Fund** program was authorized by the Massachusetts Legislature as part of the 2014 community development bond legislation. The EEOST Capital Fund was funded by \$45 million in general obligation bonding authority to provide capital grants or loans to licensed center-based nonprofit early education and out-of-school time programs to fund facility acquisition, design, construction and/or renovation. CEDAC will underwrite and close commitments from the EEOST Capital Fund, as awarded by EEC; and

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013
(Continued)**

Early Education and Care and Out of School Time Capital Program (Continued)

- a **Facilities Grant Program** that enables the Fund to provide grant capital to providers to fund the cost of facilities improvements. Through this program, the Fund raises restricted grants from donors and disburses those funds over the course of two to three years to support capital projects. As a result, the Fund's profitability has more volatility year-to-year.

The Fund is separately incorporated, formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, and is governed by a separate Board of Directors. Because CEDAC and the Fund are separate corporate entities, corporate recourse offered to lenders reverts solely to the corporate borrowing entity and not to the affiliated corporation.

Summary of Financial Performance and Changes in Net Position

As reported in CEDAC's combined general purpose financial statements, net position decreased in fiscal year 2013 by \$289,680 to \$11,306,776, as CEDAC posted operating and program deficits, and then decreased in fiscal year 2014 by \$65,967.

These figures break down as follows:

	<u>Net Position</u> <u>June 30, 2012</u>	<u>Change in</u> <u>Net Position</u>	<u>Net Position</u> <u>June 30, 2013</u>	<u>Change in</u> <u>Net Position</u>	<u>Net Position</u> <u>June 30, 2014</u>
Operating and CEDAC Loan Funds	\$11,181,365	\$ (92,100)	\$11,089,265	\$ 114,958	\$11,204,223
Restricted Program Funds	<u>415,091</u>	<u>(197,580)</u>	<u>217,511</u>	<u>(180,925)</u>	<u>36,586</u>
Total	<u>\$11,596,456</u>	<u>\$(289,680)</u>	<u>\$11,306,776</u>	<u>\$(65,967)</u>	<u>\$11,240,809</u>

Operating and CEDAC Loan Funds

CEDAC monitors its operating performance carefully to ensure on-going agency stability, and has posted surpluses in core operating activities in fiscal years 2013 and 2014. In fiscal year 2013, CEDAC's core operating activities posted a surplus of \$123,777, after adjusting for a reduction in loan loss reserves of \$73,220 and a market adjustment for investments of \$52,657. Operating results for fiscal year 2014 reflect a surplus of \$102,880, which includes a decrease in loan loss reserves of \$6,647 and a market loss in our investments of \$5,431. Neither of these adjustments resulted in immediate cash losses for CEDAC. In addition, CEDAC provided a one-time operating support grant of \$90,000 to the Fund in fiscal year 2013.

CEDAC's core operating activities can be calculated as follows:

	<u>2014</u>	<u>2013</u>
Change in net position	\$114,958	\$ (92,100)
One-time grant to the Fund	-	90,000
Unrealized market adjustment for investments	(5,431)	52,657
Loan loss reserve adjustment	<u>(6,647)</u>	<u>73,220</u>
Net core operating results	<u>\$102,880</u>	<u>\$123,777</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013
(Continued)**

Operating and CEDAC Loan Funds (Continued)

Historically, CEDAC has supported its annual operating activities from management and underwriting fees and contract revenues. As our level of capitalization has increased, CEDAC has also relied on earnings from lending activity, which is generated from the gross interest earned on loans, less the interest paid to lenders for the capital. When capital is deployed to borrowers, interest returns are higher than if the capital is idle and held in cash or investments by CEDAC. We continue to manage our financial activities in light of the Commonwealth's larger economic conditions. During fiscal years 2012 and 2013, we experienced a decline in core lending a bit beyond what we had anticipated, and with the economic conditions improving, anticipate that our reduced lending activity in fiscal year 2013 was an aberration, particularly with the increase in lending activity in fiscal year 2014. We are optimistic that we will maintain lending levels through 2015 given the increased allocation of state subordinate permanent capital availability, improving economic conditions, and continued potential to make larger acquisition loans, primarily through our Housing Preservation program.

During late fiscal year 2012 and into 2014, we renegotiated the terms of some of our key loan funds, to reduce the cost of capital and modify the loan terms to allow us to more effectively deploy the capital into projects, and improve our net margin. Fiscal year 2014 was the first full year that we realized the full impact of the changes, and with the final changes occurring in fiscal year 2014, we should see some continued improvement.

During fiscal year 2011, CEDAC's Board of Directors authorized an external rating agency, the CARS rating system, to provide a rigorous review and evaluate CEDAC's financial strength and stability, the impact of CEDAC's programs, and its impact on public policy. As part of the rating process, the CARS reviewers analyzed CEDAC's financial results and program performance between 2006 and December, 2010, including an evaluation of both our operating and lending policies and procedures. The CARS rating system is the industry standard metric used nationally to evaluate independent community development finance institutions (CDFI's). The rating is used by investors, foundations, and industry experts to evaluate the success of CDFI's of all sizes and lending profiles, and provide a common rating for the field. CEDAC received its rating in May, 2011, an AA3+, indicating that CEDAC remains financially sound, with a strong track record of impact and contributions to public policy. A full cycle review occurs approximately every three years with annual update ratings occurring in the intervening years. The updated rating issued during fiscal year 2012 indicated that CEDAC remained financially sound, with declining trends, while the updated rating issued during fiscal year 2013 indicated that CEDAC continued to remain financially stable with stable impact and performance. CEDAC is scheduled for its next full rating in fiscal year 2015. More information on the CARS rating process can be found at www.carsratingsystem.com.

Restricted Program Funds report Housing Preservation activities and CEDAC's workforce development program, CWC. CEDAC plays a key role in public policy development and implementation in the Housing Preservation area. During 2009, CEDAC received a \$1 million grant from MacFound to support the start-up of a ten-year Preservation initiative. During fiscal year 2013, in accordance with the grant terms, preservation-related program costs were funded in the amount of \$151,014. In fiscal year 2014, costs of \$187,872 were expended from these funds, which fully expended the restricted grant award.

The operating results of CEDAC's workforce development initiative, CWC, as reported in the Restricted Program Funds, posted a surplus of \$1,651 in fiscal year 2013 as part of additional fundraising to support the annual conference. In fiscal year 2014, CWC posted a surplus of \$6,947. Fundraising continues to support CWC program activities, with a greater focus on providing services targeted to the needs of program participants, and support for the annual conference.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND 2013**

(Continued)

Children's Investment Fund Operations

As reported in CEDAC's combined general purpose financial statements, net position of the Fund increased in fiscal year 2013 by \$740,753 to \$4,503,202, as the Fund posted operating and program surpluses, and then decreased in fiscal year 2014 by \$802,227 to \$3,700,975.

As noted earlier, the Fund's financial results reflect greater volatility from year-to-year due to a significant level of restricted activity in which donors provide large capital grants to support the Fund's programs in a given year, and the Fund expends those funds in subsequent years in accordance with the restricted purpose. During fiscal year 2013, restricted activity reflects a net surplus of \$831,491 and a net expenditure of \$873,474 in fiscal year 2014. The Fund issues a separate audit report that provides additional detail regarding the Fund's operation and financial results.

During fiscal year 2013, the Fund was awarded a \$1 million grant by a local funder to further capitalize the Fund's lending program. The grant will enable the Fund to expand its lending program to assist early education and out-of-school time programs to finance pre-development and acquisition costs associated with the center's renovation, rehabilitation or construction. As noted earlier, the availability of the new EEOST Capital Fund, the Commonwealth's first public financed capital program dedicated to the early education and out-of-school time field, makes capital planning and development feasible as it will provide critical grant capital to partially fund project costs. The Fund and CEDAC have provided critical support to the Patrick Administration to design and develop the program and hope to make the first EEOST program commitments in the next six months. CEDAC will underwrite and administer grant commitments awarded by EEC, and will receive a fee for providing those services. That revenue will provide a new income stream to support the Fund's operations and will augment revenues earned from its lending program, and other grant revenues.

Conclusion

CEDAC is assisting the nonprofit development community in Massachusetts to respond to the market forces impacting housing development and its related impacts on workforce development and child care. CEDAC has worked over the last several years to obtain the capital necessary to meet the demand for its loan products and manage it prudently. CEDAC has assembled the grant resources necessary to carry out further workforce development initiatives and is disbursing those funds for the purposes for which the funds have been awarded. In addition, CEDAC has managed its fiscal resources prudently to ensure its continued stability and viability, and is poised to address the loan demand brought about by the increased affordable housing and child care facilities development in Massachusetts.

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION AND AFFILIATE

**COMBINED STATEMENT OF NET POSITION
JUNE 30, 2014**

<u>ASSETS</u>	<u>ENTERPRISE FUNDS - CEDAC</u>			<u>CEDAC TOTAL</u>	<u>COMPONENT UNIT</u>	<u>(Memorandum Only) TOTAL</u>
	<u>OPERATING AND CEDAC LOAN FUNDS</u>	<u>RESTRICTED PROGRAM FUNDS</u>	<u>LOAN FUNDS UNDER MANAGEMENT</u>		<u>THE FUND</u>	
CURRENT ASSETS:						
Cash and cash equivalents	\$ 1,954,049	\$ -	\$ -	\$ 1,954,049	\$ 1,059,899	\$ 3,013,948
Restricted cash and cash equivalents for approximately \$40,387,000 CEDAC has committed to borrowers for loans (see Note 10)	8,376,878	152,641	39,043,633	47,573,152	440,349	48,013,501
Accounts and interest receivable	231,915	-	2,449	234,364	49,372	283,736
Current portion of grants receivable	64,543	17,141	-	81,684	727,000	808,684
Current portion of loans receivable, net of allowance for uncollectible loans	3,592,476	-	3,334,526	6,927,002	293,656	7,220,658
Net interfund receivables (payables)	(188,441)	(108,252)	296,693	-	-	-
Other current assets	80,670	-	-	80,670	-	80,670
Total current assets	14,112,090	61,530	42,677,301	56,850,921	2,570,276	59,421,197
OTHER ASSETS:						
Long-term investments	1,690,019	-	-	1,690,019	-	1,690,019
Long-term grants receivable, net of current portion and discount of approximately \$5,000	-	-	-	-	121,923	121,923
Interest receivable, net of allowance for uncollectible accounts	468,164	-	132,530	600,694	-	600,694
Loans receivable, net of current portion and allowance for uncollectible loans	14,394,631	-	5,591,704	19,986,335	1,389,868	21,376,203
Fixed assets, net of accumulated depreciation	107,127	-	-	107,127	-	107,127
Total other assets	16,659,941	-	5,724,234	22,384,175	1,511,791	23,895,966
Total assets	\$ 30,772,031	\$ 61,530	\$ 48,401,535	\$ 79,235,096	\$ 4,082,067	\$ 83,317,163
<u>LIABILITIES AND NET POSITION</u>						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$ 159,062	\$ 24,944	\$ 1,129	\$ 185,135	\$ 81,822	\$ 266,957
Current portion of deferred revenue	561,294	-	747,869	1,309,163	-	1,309,163
Current portion of recourse notes payable	4,076,000	-	-	4,076,000	19,726	4,095,726
Due to participating lender	1,550,000	-	-	1,550,000	-	1,550,000
Current portion of non-recourse notes payable	-	-	250,000	250,000	-	250,000
Accrued and deferred compensation	252,666	-	-	252,666	-	252,666
Total current liabilities	6,599,022	24,944	998,998	7,622,964	101,548	7,724,512
LONG-TERM LIABILITIES:						
Recourse notes payable, net of current portion	12,847,768	-	-	12,847,768	279,544	13,127,312
Non-recourse notes payable, net of current	-	-	47,402,537	47,402,537	-	47,402,537
Deferred revenue, net of current portion	112,500	-	-	112,500	-	112,500
Security deposits held	8,518	-	-	8,518	-	8,518
Total liabilities	19,567,808	24,944	48,401,535	67,994,287	381,092	68,375,379
NET POSITION:						
Unrestricted net position	7,570,306	-	-	7,570,306	891,737	8,462,043
Invested in capital assets, net of related debt	107,127	-	-	107,127	-	107,127
Restricted net position - expendable	3,526,790	36,586	-	3,563,376	2,809,238	6,372,614
Total net position	11,204,223	36,586	-	11,240,809	3,700,975	14,941,784
Total liabilities and net position	\$ 30,772,031	\$ 61,530	\$ 48,401,535	\$ 79,235,096	\$ 4,082,067	\$ 83,317,163

The accompanying notes are an integral part of these combined general purpose statements.

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION AND AFFILIATE

**COMBINED STATEMENT OF NET POSITION
JUNE 30, 2013**

ASSETS	ENTERPRISE FUNDS - CEDAC			CEDAC TOTAL	COMPONENT UNIT	(Memorandum Only) TOTAL
	OPERATING AND CEDAC LOAN FUNDS	RESTRICTED PROGRAM FUNDS	LOAN FUNDS UNDER MANAGEMENT		THE FUND	
CURRENT ASSETS:						
Cash and cash equivalents	\$ 1,384,557	\$ -	\$ -	\$ 1,384,557	\$ 469,370	\$ 1,853,927
Restricted cash and cash equivalents for approximately \$21,922,000 CEDAC has committed to borrowers for loans (see Note 10)	6,515,991	284,379	24,908,245	31,708,615	149,933	31,858,548
Accounts and interest receivable	137,409	-	8,808	146,217	97,529	243,746
Current portion of grants receivable	49,201	103,265	-	152,466	1,227,000	1,379,466
Current portion of loans receivable, net of allowance for uncollectible loans	7,835,520	-	3,270,527	11,106,047	290,974	11,397,021
Net interfund receivables (payables)	70,766	(153,479)	82,713	-	-	-
Other current assets	71,101	2,500	-	73,601	-	73,601
Total current assets	16,064,545	236,665	28,270,293	44,571,503	2,234,806	46,806,309
OTHER ASSETS:						
Long-term investments	1,146,173	-	-	1,146,173	532,219	1,678,392
Long-term grants receivable, net of current portion and discount of approximately \$27,000	-	-	-	-	826,723	826,723
Interest receivable, net of allowance for uncollectible accounts	383,188	-	101,422	484,610	-	484,610
Loans receivable, net of current portion and allowance for uncollectible loans	5,927,490	-	3,679,670	9,607,160	1,268,884	10,876,044
Fixed assets, net of accumulated depreciation	91,768	834	-	92,602	-	92,602
Total other assets	7,548,619	834	3,781,092	11,330,545	2,627,826	13,958,371
Total assets	\$ 23,613,164	\$ 237,499	\$ 32,051,385	\$ 55,902,048	\$ 4,862,632	\$ 60,764,680
LIABILITIES AND NET POSITION						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$ 134,445	\$ 19,988	\$ 624	\$ 155,057	\$ 39,916	\$ 194,973
Current portion of deferred revenue	144,623	-	537,181	681,804	-	681,804
Current portion of recourse notes payable	2,662,123	-	-	2,662,123	21,085	2,683,208
Current portion of non-recourse notes payable	-	-	1,698,429	1,698,429	-	1,698,429
Accrued and deferred compensation	255,708	-	-	255,708	-	255,708
Total current liabilities	3,196,899	19,988	2,236,234	5,453,121	61,001	5,514,122
LONG-TERM LIABILITIES:						
Recourse notes payable, net of current portion	9,214,500	-	-	9,214,500	298,429	9,512,929
Non-recourse notes payable, net of current portion	-	-	29,815,151	29,815,151	-	29,815,151
Deferred revenue, net of current portion	112,500	-	-	112,500	-	112,500
Total liabilities	12,523,899	19,988	32,051,385	44,595,272	359,430	44,954,702
NET POSITION:						
Unrestricted net position	7,430,467	-	-	7,430,467	820,490	8,250,957
Invested in capital assets, net of related debt	91,768	834	-	92,602	-	92,602
Restricted net position - expendable	3,567,030	216,677	-	3,783,707	3,682,712	7,466,419
Total net position	11,089,265	217,511	-	11,306,776	4,503,202	15,809,978
Total liabilities and net position	\$ 23,613,164	\$ 237,499	\$ 32,051,385	\$ 55,902,048	\$ 4,862,632	\$ 60,764,680

The accompanying notes are an integral part of these combined general purpose statements.

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION AND AFFILIATE

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	ENTERPRISE FUNDS - CEDAC				COMPONENT	(Memorandum Only) TOTAL
	OPERATING AND CEDAC LOAN FUNDS	RESTRICTED PROGRAM FUNDS	LOAN FUNDS UNDER MANAGEMENT	CEDAC TOTAL	UNIT THE FUND	
OPERATING REVENUES:						
Interest	\$ 1,027,076	\$ 294	\$ 219,808	\$ 1,247,178	\$ 144,040	\$ 1,391,218
Less - loan and interest reserve adjustment	6,647	-	(245,023)	(238,376)	(38,427)	(276,803)
Loan fund management fees and other fees	375,723	-	17,750	393,473	-	393,473
Less - interest expense	(494,051)	-	(89,500)	(583,551)	(13,407)	(596,958)
Net financial and related revenue	915,395	294	(96,965)	818,724	92,206	910,930
Government contracts	1,490,658	65,060	-	1,555,718	50,000	1,605,718
Earned revenue and other	513,551	86,662	-	600,213	230,859	831,072
Restricted grants and contributions	-	564,395	-	564,395	-	564,395
Legal fee revenue	-	-	159,312	159,312	-	159,312
Legal fee expense	-	-	(159,312)	(159,312)	-	(159,312)
In-kind income	-	-	-	-	73,319	73,319
Grants applied to operations	239,205	(239,205)	-	-	-	-
Unrealized gain on investments	5,431	-	-	5,431	7,781	13,212
Net decrease in notes payable	-	-	280,012	280,012	-	280,012
Management fees expense	-	-	(183,047)	(183,047)	-	(183,047)
Total operating revenues	3,164,240	477,206	-	3,641,446	454,165	4,095,611
OPERATING EXPENSES:						
Employee compensation	2,259,538	281,347	-	2,540,885	-	2,540,885
Grants and related expenses	-	194,903	-	194,903	543,955	738,858
Management fees	-	-	-	-	471,400	471,400
Contracted services	115,806	176,624	-	292,430	141,347	433,777
Rent	395,626	-	-	395,626	-	395,626
In-kind services	-	-	-	-	73,319	73,319
Accounting and audit	37,174	-	-	37,174	18,248	55,422
Supplies and document storage	47,304	953	-	48,257	834	49,091
Legal	25,630	721	-	26,351	15,916	42,267
Depreciation	38,730	834	-	39,564	-	39,564
Travel	19,715	1,356	-	21,071	4,073	25,144
Insurance	16,825	-	-	16,825	7,066	23,891
Other expenses	18,192	1,030	-	19,222	1,393	20,615
Maintenance and repair	16,099	-	-	16,099	-	16,099
Equipment	11,223	-	-	11,223	-	11,223
Memberships	10,185	250	-	10,435	641	11,076
Utilities	8,770	-	-	8,770	-	8,770
Telephone	6,614	113	-	6,727	-	6,727
Printing	6,589	-	-	6,589	-	6,589
Postage and messengers	6,582	-	-	6,582	-	6,582
Staff development	4,238	-	-	4,238	1,100	5,338
Publications and subscriptions	4,442	-	-	4,442	-	4,442
Total operating expenses	3,049,282	658,131	-	3,707,413	1,279,292	4,986,705
Changes in net position from operations	114,958	(180,925)	-	(65,967)	(825,127)	(891,094)
UNRESTRICTED GRANTS AND CONTRIBUTIONS	-	-	-	-	22,900	22,900
Changes in net position	114,958	(180,925)	-	(65,967)	(802,227)	(868,194)
NET POSITION, beginning of year	11,089,265	217,511	-	11,306,776	4,503,202	15,809,978
NET POSITION, end of year	\$ 11,204,223	\$ 36,586	\$ -	\$ 11,240,809	\$ 3,700,975	\$ 14,941,784

The accompanying notes are an integral part of these combined general purpose statements.

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION AND AFFILIATE
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	ENTERPRISE FUNDS - CEDAC				COMPONENT UNIT	(Memorandum Only) TOTAL
	OPERATING AND CEDAC LOAN FUNDS	RESTRICTED PROGRAM FUNDS	LOAN FUNDS UNDER MANAGEMENT	CEDAC TOTAL	THE FUND	
OPERATING REVENUES:						
Interest	\$ 990,781	\$ 776	\$ 261,250	\$ 1,252,807	\$ 97,861	\$ 1,350,668
Less - loan and interest reserve adjustment	(73,220)	-	40,614	(32,606)	(62,684)	(95,290)
Loan fund management fees and other fees	305,814	-	22,138	327,952	-	327,952
Less - interest expense	(483,626)	-	(88,662)	(572,288)	(8,106)	(580,394)
Net financial and related revenue	739,749	776	235,340	975,865	27,071	1,002,936
Government contracts	1,538,084	60,719	-	1,598,803	-	1,598,803
Earned revenue and other	504,955	114,673	-	619,628	4,038	623,666
Restricted grants and contributions	-	589,132	-	589,132	1,707,350	2,296,482
Legal fee revenue	-	-	180,311	180,311	-	180,311
Legal fee expense	-	-	(180,311)	(180,311)	-	(180,311)
In-kind income	-	-	-	-	43,894	43,894
Grants applied to operations	218,779	(218,779)	-	-	-	-
Unrealized loss on investments	(52,657)	-	-	(52,657)	(7,781)	(60,438)
Net increase in notes payable	-	-	(70,845)	(70,845)	-	(70,845)
Management fees expense	-	-	(164,495)	(164,495)	-	(164,495)
Total operating revenues	2,948,910	546,521	-	3,495,431	1,774,572	5,270,003
OPERATING EXPENSES:						
Employee compensation	2,212,494	380,255	-	2,592,749	-	2,592,749
Grants and related expenses	90,000	226,210	-	316,210	442,707	758,917
Management fees	-	-	-	-	454,929	454,929
Contracted services	65,332	125,591	-	190,923	141,132	332,055
Rent	383,689	-	-	383,689	-	383,689
In-kind services	-	-	-	-	43,894	43,894
Accounting and audit	33,250	-	-	33,250	16,850	50,100
Supplies and document storage	41,611	1,294	-	42,905	790	43,695
Legal	47,788	721	-	48,509	18,978	67,487
Depreciation	44,266	3,672	-	47,938	3,392	51,330
Travel	15,581	3,169	-	18,750	1,925	20,675
Insurance	14,666	-	-	14,666	6,363	21,029
Other expenses	13,649	1,238	-	14,887	5,024	19,911
Maintenance and repair	19,187	-	-	19,187	-	19,187
Equipment	8,496	-	-	8,496	-	8,496
Memberships	7,400	1,000	-	8,400	450	8,850
Utilities	8,415	-	-	8,415	-	8,415
Telephone	6,985	230	-	7,215	-	7,215
Printing	7,826	721	-	8,547	1,060	9,607
Postage and messengers	9,609	-	-	9,609	-	9,609
Staff development	6,680	-	-	6,680	-	6,680
Publications and subscriptions	4,086	-	-	4,086	-	4,086
Total operating expenses	3,041,010	744,101	-	3,785,111	1,137,494	4,922,605
Changes in net position from operations	(92,100)	(197,580)	-	(289,680)	637,078	347,398
UNRESTRICTED GRANTS AND CONTRIBUTIONS	-	-	-	-	103,675	103,675
Changes in net position	(92,100)	(197,580)	-	(289,680)	740,753	451,073
NET POSITION, beginning of year	11,181,365	415,091	-	11,596,456	3,762,449	15,358,905
NET POSITION, end of year	<u>\$ 11,089,265</u>	<u>\$ 217,511</u>	<u>\$ -</u>	<u>\$ 11,306,776</u>	<u>\$ 4,503,202</u>	<u>\$ 15,809,978</u>

The accompanying notes are an integral part of these combined general purpose statements.

UNIT

ENTERPRISE FUNDS - CEDAC

	OPERATING AND CEDAC LOAN FUNDS		RESTRICTED PROGRAM FUNDS		LOAN FUNDS UNDER MANAGEMENT		CEDAC TOTAL		THE FUND	(Memorandum Only) TOTAL
	\$ 2,789,573		\$ 802,241		\$ 186,952		\$ 3,778,766	\$ 1,504,297	\$ 5,283,062	
	1,034,361		-		164,489		1,198,850	188,078	1,386,928	
	26,769		294		42,125		69,188	11,901	81,089	
	(2,262,580)		(281,347)		-		(2,543,927)	-	(2,543,927)	
	(662,787)		(607,699)		(159,312)		(1,429,798)	(1,164,067)	(2,593,865)	
	(541,355)		-		(88,996)		(630,351)	(13,407)	(643,758)	
	259,207		(45,227)		(213,980)		-	-	-	
	643,188		(131,738)		(68,722)		442,728	526,802	969,530	
	(13,515,340)		-		(25,403,362)		(38,918,702)	(603,166)	(39,521,868)	
	9,297,890		-		4,061,410		13,359,300	437,553	13,796,853	
	(538,415)		-		-		(538,415)	-	(538,415)	
	(54,089)		-		-		(54,089)	540,000	540,000	
	(4,809,954)		-		(21,341,952)		(26,151,906)	374,387	(25,777,519)	
	7,848,880		-		35,546,062		43,394,942	-	43,394,942	
	1,550,000		-		-		1,550,000	-	1,550,000	
	(2,801,735)		-		-		(2,801,735)	(20,244)	(2,821,979)	
	6,597,145		-		35,546,062		42,143,207	(20,244)	42,122,963	
	2,430,379		(131,738)		14,135,388		16,434,029	880,945	17,314,974	
	7,900,548		284,379		24,908,245		33,093,172	619,303	33,712,475	
	\$ 10,330,927		\$ 152,641		\$ 39,043,633		\$ 49,527,201	\$ 1,500,248	\$ 51,027,449	

ENTERPRISE FUNDS - CEDAC

	\$ 114,958		\$ (180,925)		\$ -		\$ (65,967)	\$ (802,227)	\$ (868,194)
	38,730		834		-		39,564	-	39,564
	(6,647)		-		245,023		238,376	38,427	276,803
	(5,431)		-		-		(5,431)	(7,781)	(13,212)
	(94,506)		-		6,359		(88,147)	-	(88,147)
	(15,342)		86,124		-		70,782	1,204,800	1,275,582
	259,207		(45,227)		(213,980)		-	-	-
	(9,569)		2,500		-		(7,069)	-	(7,069)
	(84,976)		-		(37,305)		(122,281)	51,677	(70,604)
	24,617		4,956		505		30,078	41,906	71,984
	416,671		-		210,688		627,359	-	627,359
	-		-		(280,012)		(280,012)	-	(280,012)
	8,518		-		-		8,518	-	8,518

ET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

ASH AND CASH EQUIVALENTS, beginning of year

ASH AND CASH EQUIVALENTS, end of year

ECONCILIATION OF CHANGES IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:

Changes in net position	\$ 114,958		\$ (180,925)		\$ -		\$ (65,967)	\$ (802,227)	\$ (868,194)
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:									
Depreciation	38,730		834		-		39,564	-	39,564
Allowance for loan gains (losses)	(6,647)		-		245,023		238,376	38,427	276,803
Unrealized gain on investments	(5,431)		-		-		(5,431)	(7,781)	(13,212)
Changes in operating assets and liabilities:									
Accounts and interest receivable	(94,506)		-		6,359		(88,147)	-	(88,147)
Grants receivable	(15,342)		86,124		-		70,782	1,204,800	1,275,582
Interfund receivables	259,207		(45,227)		(213,980)		-	-	-
Other current assets	(9,569)		2,500		-		(7,069)	-	(7,069)
Interest receivable	(84,976)		-		(37,305)		(122,281)	51,677	(70,604)
Accounts payable and accrued expenses	24,617		4,956		505		30,078	41,906	71,984
Deferred revenue	416,671		-		210,688		627,359	-	627,359
Net increase in notes payable	-		-		(280,012)		(280,012)	-	(280,012)
Security deposits	8,518		-		-		8,518	-	8,518

	ENTERPRISE FUNDS - CEDAC			MEMORANDUM ONLY TOTAL
	OPERATING AND CEDAC LOAN FUNDS	RESTRICTED PROGRAM FUNDS	LOAN FUNDS UNDER MANAGEMENT	
				COMPONENT UNIT
NET FLOWS FROM OPERATING ACTIVITIES:				
Receipts from funders, net of management fees expense	\$ 2,501,349	\$ 692,643	\$ 172,586	\$ 1,050,215
Interest received on loans	1,059,805	-	246,450	63,472
Interest received on bank deposits	32,484	776	48,334	1,509
Employee compensation	(2,191,227)	(380,255)	-	-
Payments for supplies and services	(815,101)	(569,730)	(180,311)	(1,175,870)
Interest payments to lenders	(430,638)	-	(89,275)	(8,106)
Net cash provided by (used in) operating activities	473,339	51,061	(524,400)	-
	630,011	(205,505)	(326,616)	(68,780)
				29,
NET FLOWS FROM INVESTING ACTIVITIES:				
Loans disbursed	(4,834,472)	-	(25,493,716)	(777,327)
Proceeds from loan repayments	6,933,846	-	3,973,444	91,060
Purchase of investments	(1,800,000)	-	-	(1,083,436)
Maturity of investments	2,320,000	-	-	1,086,829
Acquisition of fixed assets	(18,670)	-	-	-
Net cash provided by (used in) investing activities	2,600,704	-	(21,520,272)	(682,874)
				(19,602,
NET FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from notes payable	1,951,734	-	22,398,921	320,241
Repayments of principal of notes payable	(3,270,899)	-	(2,000,000)	(399,679)
Net cash provided by (used in) financing activities	(1,319,165)	-	20,398,921	(79,438)
				19,000,
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,911,550	(205,505)	(1,447,967)	(831,092)
				(573,
INITIAL CASH AND CASH EQUIVALENTS, beginning of year	5,988,998	489,884	26,356,212	1,450,395
				34,285,
INITIAL CASH AND CASH EQUIVALENTS, end of year	\$ 7,900,548	\$ 284,379	\$ 24,908,245	\$ 619,303
				\$ 33,712,
RECONCILIATION OF CHANGES IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Changes in net position	\$ (92,100)	\$ (197,580)	\$ -	\$ 740,753
				\$ 451,
Adjustments to reconcile changes in net position to net cash provided by (used in) operating activities:				
Depreciation	44,266	3,672	-	3,392
Allowance for loan gains (losses)	73,220	-	(40,614)	62,684
Unrealized loss on investments	52,657	-	-	7,781
Changes in operating assets and liabilities:				
Accounts and interest receivable	95,073	5,289	10,756	111,118
Grants receivable	(14,071)	(77,170)	-	(91,241)
Interfund receivables	473,339	51,061	(524,400)	-
Other current assets	(6,834)	-	-	(6,834)
Interest receivable	(21,752)	-	642	(21,110)
Accounts payable and accrued expenses	49,237	9,223	(613)	(85,662)
Deferred revenue	(44,291)	-	156,768	112,477
Net increase in notes payable	-	-	70,845	-
				70,

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**COMBINED STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2014 AND 2013**

<u>ASSETS</u>	<u>CEDAC AGENCY FUND</u>	
	<u>2014</u>	<u>2013</u>
ASSETS:		
Cash and cash equivalents	\$ 2,370,134	\$ 3,303,996
Total assets	\$ 2,370,134	\$ 3,303,996
<u>LIABILITIES AND NET POSITION</u>		
LIABILITIES:		
Agency funds held for others	\$ 2,370,134	\$ 3,303,996
Total liabilities	2,370,134	3,303,996
NET POSITION		
Total liabilities and net position	\$ 2,370,134	\$ 3,303,996

The accompanying notes are an integral part of these combined general purpose statements.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

(1) **OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES**

OPERATIONS AND NONPROFIT STATUS

Community Economic Development Assistance Corporation (CEDAC) is a quasi-public corporation established under Chapter 40 H of Massachusetts General Laws in 1978 and is discretely presented as a component unit in the Commonwealth of Massachusetts' Comprehensive Annual Financial Report. CEDAC provides a range of development assistance programs to nonprofit development corporations throughout the Commonwealth of Massachusetts to expand the supply of affordable housing and foster the revitalization of economically distressed areas.

CEDAC maintains corporate control of the Children's Investment Fund, Inc. (the Fund), a Massachusetts charitable corporation, originally established as a controlled affiliate of the United Way of Massachusetts Bay (United Way) (see Note 11). As part of the terms of corporate transfer of the Fund from United Way to CEDAC, United Way transferred its sole membership in the corporation to CEDAC and imposed certain restrictions on the use of the assets and their earnings. United Way also maintains certain rights with regard to the composition of the Fund's Board of Directors.

The Fund's mission is to improve the quality and expand the availability of early child development programs for low and moderate-income families in Massachusetts through investment in early education and out-of-school time care facilities.

Both CEDAC and the Fund are exempt from Federal income taxes as organizations (not private foundations) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). CEDAC and the Fund are also exempt from state income taxes. Donors may deduct contributions made to CEDAC and the Fund within the IRC regulations.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - GASB Standards

The accompanying combined general purpose financial statements were prepared on the accrual basis of accounting. Because CEDAC is a quasi-public corporation, its accounting policies and financial statement presentation is governed by standards issued by the Governmental Accounting Standards Board (GASB). CEDAC follows GASB standards for *Comprehensive Annual Financial Reporting*. These standards outline financial reporting requirements for state and local governments. CEDAC is considered a special purpose government organization that conducts only business-type activities within the meaning of GASB standards and, therefore, only has enterprise funds within its proprietary fund. CEDAC has no governmental funds. As such, CEDAC is not required to present government-wide financial statements, but rather only the accompanying fund financial statements. In applying the GASB provisions, organizations like CEDAC can use standards applicable to proprietary fund accounting, and need not follow the provisions of governmental fund accounting.

Consistent with the provisions of GASB standards for the *Reporting Entity and Component Unit Presentation of Disclosure*, as clarified by GASB Statement 61, "*The Financial Reporting Entity: Omnibus*", the Fund is discretely presented in these combined general purpose financial statements as a component unit of CEDAC. A separate audit of the Fund is performed. The "Memorandum Only Total" is presented in accordance with these GASB standards. This represents the combined totals of CEDAC and the Fund without the elimination of inter-agency balances and transactions. See Note 11 for a summary of the transactions. Those uncombined financial statements of the Fund are presented in accordance with the provisions of the Financial Accounting Standards Codification, as established by the Financial Accounting Standards Board (FASB).

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - GASB Standards (Continued)

Results of the Fund as issued under FASB are as follows for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Changes in unrestricted net assets	\$ 71,247	\$ (90,738)
Changes in temporarily restricted net assets	<u>(873,474)</u>	<u>831,491</u>
Total changes in net assets	<u><u>\$(802,227)</u></u>	<u><u>\$740,753</u></u>

CEDAC follows the GASB standard, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, CEDAC has elected to apply the provisions of all relevant pronouncements of FASB that do not conflict with or contradict GASB codifications. References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC) and the GASB Codification.

Classification of Net Position

CEDAC's financial resources are organized in the following major funds. CEDAC has no non-major funds as defined by GASB standards for *Governmental Accounting and Financial Reporting*.

Operating and CEDAC Loan Funds:

Operating net position - Operating net position represents the portion of unrestricted expendable funds that are used to support CEDAC's operations and accounts for funds for which CEDAC has met imposed restrictions in accordance with funding agreements or management contracts. The Board of Directors has designated a portion of the Operating net position to serve as an operating reserve and a portion to fund loan losses. The policy outlined by the Board is to first fund an operating reserve and then to reserve for potential extraordinary loan losses. As of June 30, 2014 and 2013, CEDAC had set aside \$1,518,645 and \$1,520,505, respectively, for the operating reserve. As of June 30, 2013, CEDAC had also set aside \$11,809 for loan loss reserves. No amounts were set aside for loan loss reserves as of June 30, 2014. To the extent possible and as loans are forgiven, the Board may authorize the transfer of these loan loss reserve funds to the CEDAC Loan Funds to help maintain lending capacity.

CEDAC Loan Funds - The CEDAC Loan Funds consist of \$6,051,661 and \$5,898,153 of unrestricted net position designated by the Board of Directors as of June 30, 2014 and 2013, respectively, and of additional recourse debt capital (see Note 2) which is used as a loan fund to assist eligible nonprofit organizations in covering pre-development costs for the acquisition, construction or rehabilitation of residential, commercial and industrial real estate. Most loans receivable are classified as long-term assets on the accompanying combined statements of net position because the collection of these loans is generally based on the progress of the development project and is not readily determinable. Those loans that fund the acquisition of properties and have a specific loan term are allocated between current and long-term loans receivable based on stated maturities. Debt capital is reported on the accompanying combined statements of net position as notes payable to funding sources (see Note 2).

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Position (Continued)

Operating and CEDAC Loan Funds: (Continued)

Unrestricted net position as of June 30, 2014 and 2013, are summarized as follows:

	<u>2014</u>	<u>2013</u>
CEDAC Loan Funds	\$6,051,661	\$5,898,153
Operating Reserve	<u>1,518,645</u>	<u>1,532,314</u>
	<u>\$7,570,306</u>	<u>\$7,430,467</u>

Invested in Capital Assets - This classification is used to account for all fixed assets purchased by CEDAC and used in operations. Depreciation is provided in amounts sufficient to allocate costs to operations over the estimated useful lives of the underlying assets, using the straight-line method. Net fixed assets of \$107,127 and \$91,768 as of June 30, 2014 and 2013, respectively, are presented on the accompanying combined statements of net position as net position invested in capital assets.

Restricted Net Position - Expendable - Included in this classification as of June 30, 2013, are those funds awarded by The John D. and Catherine T. MacArthur Foundation (MacFound) in 2009 and \$3.5 million awarded by the Commonwealth of Massachusetts in 2010 to support lending activities within CEDAC's Housing Preservation Initiative. Through this initiative, CEDAC coordinated and collaborated with other public agencies and nonprofit organizations to preserve affordable housing whose affordability term is expiring.

Restricted Program Funds - Restricted Program Funds relate to funds contributed by donors to fund special CEDAC programs and are classified as Restricted Net Position - Expendable. Contributions are recorded as program revenue in the restricted program funds as they are received. As funds are expended under the program in accordance with the donor-imposed restrictions, they are reported as expenses on the accompanying combined statements of revenues, expenses and changes in net position.

Included in the Restricted Program Funds at June 30, 2014 and 2013, are those funds associated with the Commonwealth Workforce Coalition (CWC). Through these programs, CEDAC provides training, technical assistance and professional development services to assist community-based organizations to improve the quality and scope of their education and training programs for low-income people. Also included in the Restricted Program Funds at June 30, 2013, are the unspent funds from an initial \$1 million gift from MacFound for the Housing Preservation Initiative. At June 30, 2014, the grant funded by MacFound was fully expended.

Total Restricted Program Funds consist of the following as of June 30:

	<u>2014</u>	<u>2013</u>
Commonwealth Workforce Coalition	\$36,586	\$ 29,639
Housing Preservation Initiative	<u>-</u>	<u>187,872</u>
Total	<u>\$36,586</u>	<u>\$217,511</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Position (Continued)

Loan Funds Under Management - Loan Funds Under Management include substantially non-recourse loan funds capitalized at CEDAC by various funders. These loan funds are managed by CEDAC under management contracts with the funders, which outline the use of the loan corpus and its accumulated interest. The managed loan funds are reflected on the combined general purpose financial statements as non-recourse notes payable (see Note 2). Under these management contracts, CEDAC is allowed to charge certain administrative expenses and loan loss provisions directly to the loan fund and are shown as direct loan fund expenses in the accompanying combined statements of revenues, expenses and changes in net position.

The annual net surplus/(deficit) of the fund is shown as a net increase/decrease in notes payable on the accompanying combined statements of revenues, expenses and changes in net position.

Agency Funds Held for Others – Agency Funds Held for Others include those funds for which CEDAC serves as fiscal intermediary under agreements with its partner agencies. Under these agreements, CEDAC is paid an administrative fee to cover the cost of intermediary services. In accordance with GASB reporting standards, these funds are reported on separate statements of fiduciary net position (see Note 6).

The Fund:

Unrestricted Net Position - Unrestricted net position is comprised of the funds used to support general operations and certain operating and loan reserves, as well as a portion of facilities grants funds. Unrestricted net position bears no donor-imposed restrictions.

Invested in Capital Assets - This classification is used to account for all fixed assets purchased by the Fund and used in operations. Depreciation is provided in amounts sufficient to allocate costs to operations over the estimated useful lives of the underlying assets, using the straight-line method. Fixed assets were fully depreciated as of June 30, 2014 and 2013, and are presented on the accompanying combined statements of net position as net position invested in capital assets.

Restricted Net Position - Expendable - This classification relates to funds contributed by donors or earnings thereof restricted for specific purposes and accumulated interest income on the Fund's loan corpus. When a stipulated time restriction ends, or a purpose restriction is accomplished, temporarily restricted funds are reclassified to unrestricted net position.

Restricted net position consists of the following as of June 30:

	<u>2014</u>	<u>2013</u>
Restricted for Fund Loans	\$2,009,877	\$2,036,596
Restricted for Facilities Grant Program	425,438	1,047,694
Restricted for Core Operating Support in Future Periods	373,923	524,023
Restricted for Provider Initiative Program	<u>-</u>	<u>74,399</u>
	<u>\$2,809,238</u>	<u>\$3,682,712</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held in banks, the Massachusetts Municipal Depository Trust (MMDT), and certificates of deposit with initial maturities of three months or less. The Federal Deposit Insurance Corporation insures the balances held in banks up to certain amounts. At certain times during the year, the balances exceeded the insured limits. Management manages its risk by monitoring cash balances and periodically evaluating its financial institutions.

The CEDAC balances held in the MMDT amounted to approximately \$46.1 million and \$30.6 million as of June 30, 2014 and 2013, respectively, which includes money held as a fiduciary (see Note 6). The MMDT portfolio is managed such that it maintains a dollar-weighted average portfolio maturity of ninety days or less, and consists of certificates of deposit, money market funds, U.S. Government securities, and high-grade commercial paper (see Note 7).

The Fund's balances held in the MMDT amounted to approximately \$1,234,000 and \$363,000 as of June 30, 2014 and 2013, respectively.

Revenue Recognition

Contract revenue is recognized when earned. Unrestricted grants and contributions are recognized as operating revenue when unconditionally pledged or committed. All other revenue is recognized when earned.

Investments

Investments consist of certificates of deposits and government sponsored enterprise notes, which are reported at fair market value. Short-term investments are those maturing within one year. Long-term investments have original maturities of greater than one year (see Note 7).

Fixed Assets

Fixed assets consist of office equipment and leasehold improvements, which are depreciated on the straight-line method over their estimated useful lives of three to five years. CEDAC fixed assets are recorded at cost and totaled \$558,801 and \$504,712 at June 30, 2014 and 2013, respectively. Accumulated depreciation at June 30, 2014 and 2013, totaled \$451,674 and \$412,110, respectively.

The Fund's equipment is depreciated on the straight-line method over its estimated useful life of three years. The Fund has equipment totaling \$10,149, which was fully depreciated as of June 30, 2014 and 2013.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

In preparing combined general purpose financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined general purpose financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocations

Salaries, wages and benefits are allocated to functions based on the percentage of effort relative to a particular program or function. All other expenses are allocated to the functions based on usage or percentage of effort as determined by CEDAC's management.

Deferred Revenue

Deferred revenue represents fees received in advance of the occurrence of particular activities. Such amounts are recorded as revenue in the year earned by CEDAC (see Note 9).

Concentration of Credit Risk

Financial instruments that potentially subject CEDAC to concentration of credit risk consist primarily of accounts receivable and loans receivable. Credit risk with receivables and loans is concentrated among governmental agencies and Massachusetts nonprofit organizations.

Federal and State Grants and Contracts

CEDAC has expended resources in connection with Federal and State grants and contracts that are subject to review and audit by the respective governments or their representatives. Such audits could result in requests for reimbursement to the government agency if expenditures are disallowed. Management is not aware of any specific disallowances and believes the results of any such audit would not produce material changes to these combined general purpose financial statements.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(2) NOTES PAYABLE TO FUNDING SOURCES

Loan programs managed by CEDAC are governed by contracts which outline the uses of funds, restrictions and covenants imposed by the funders. Loan programs included in the CEDAC Loan Fund are comprised of recourse loans and loan programs included in Loan Funds Under Management are comprised of non-recourse loans (see Note 1). CEDAC was in compliance with all restrictions and covenants as of June 30, 2014 and 2013. Notes payable include:

- **The Massachusetts Life Insurance Community Investment Initiative (Life Initiative) Loan Fund** is used to provide pre-development loans to nonprofit organizations to construct or rehabilitate affordable housing. Interest is paid currently on a quarterly basis and the principal balance is due at maturity. The loan terms were amended during fiscal year 2014 to reduce the interest rate from 6% to 4% and extend the loan maturity to June 30, 2017. The loan is generally reviewed and renewed every five years.
- **Home Funders Collaborative Loan Fund** - The Home Funders Collaborative, LLC (Home Funders) capitalized a fund of up to \$10 million to fund primarily acquisition, pre-development, and bridge loans to projects where a minimum of twenty percent of the housing units will support families with incomes at or below thirty percent of median income. Acquisition loans are secured by first mortgages. Bridge loans are secured by an assignment and pledge by the state source being financed. The principal balance and repayment terms are adjusted periodically as Home Funders raises additional capital to fund loans. The loan requires periodic payments of principal based on additional capitalizations provided by the funders of Home Funders. The maturity date is continually extended as additional capitalizations are received. As of June 30, 2014, the loan matures in June, 2023, with borrowing authority of up to \$8.95 million. Interest is payable semi-annually at a rate of 1%.
- **The Massachusetts Housing Partnership (MHP) Acquisition Loan Fund** includes a \$3 million line of credit with the MHP Fund to provide additional funding for real estate acquisition loans secured by first mortgages. The line of credit allows for annual reviewed renewal options. The line of credit was amended and restated on November 30, 2013, to mature in November, 2016, or upon the occurrence of an event of default, with a call period through November 30, 2014. The line of credit carries an interest rate of prime (3.25% as of June 30, 2014 and 2013), minus 1.25%, but not lower than 1.5%, due quarterly. Advances under the line of credit have a maximum term of twenty-four months.
- **The City of Boston Department of Neighborhood Development (DND) Loan Fund** authorized the capitalization of a revolving loan fund held at CEDAC to be used to provide loans to governmentally-assisted projects in the City of Boston. Under the terms of the contract, all principal accrues to the DND Loan Fund and interest earned is paid annually.
- **The Housing Stabilization Fund (HSF) Acquisition Loan Fund** - The Department of Housing and Community Development (DHCD) capitalized the HSF Acquisition Loan Fund in the amount of \$1,350,000 to provide additional capital to allow CEDAC greater flexibility in underwriting acquisition loans to nonprofit borrowers. The term of the current HSF agreement is three years after the date of the last HSF loan made by CEDAC and all principal and interest accrues to the loan fund. The last loan from this fund was made by CEDAC in May, 2011. As of June 30, 2014, the lender has indicated its intent to extend the term of the loan.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(2) NOTES PAYABLE TO FUNDING SOURCES (Continued)

- **The Affordable Housing Trust (AHT) Pre-development Loan Fund** - The Massachusetts Housing Finance Agency (MassHousing) capitalized a \$2.5 million AHT Pre-development Loan Fund from the Commonwealth's Affordable Housing Trust Fund to fund pre-development loans to nonprofit borrowers undertaking projects that meet the preferences outlined in the AHT guidelines. The agreement allows for additional annual capitalizations by MassHousing through the expiration date of June, 2015, subject to the annual capitalization of the AHT by the Commonwealth. The agreement was amended in 2014 to allow up to \$320,000 of accumulated fund earnings to be paid to CEDAC in two installments of \$160,000 over two years beginning in fiscal year 2015. Principal and all remaining interest accrues to the loan fund under the terms of the agreement. As of June 30, 2014, the lender has indicated its intent to extend the expiration date of the loan beyond June, 2015.
- **The Boston Foundation Loan Fund** was capitalized during 2005 with an unsecured commitment of up to \$1.5 million to capitalize a loan fund at CEDAC to provide acquisition and pre-development financing to support the development of single person occupancy housing projects in the Greater Boston area. Acquisition loans are secured by first mortgages. The term of the loan is ten years, maturing on January 26, 2015, with the principal balance due at that time. Interest is due semi-annually at a rate of 2.5%.
- **The Boston Private Bank Acquisition/Bridge and Pre-development Line of Credit** was executed in 2013 to provide capital to finance acquisition and pre-development loans to nonprofit organizations to construct or rehabilitate affordable housing. The total commitment under this line of credit is \$1.5 million, with \$750,000 available for Acquisition/Bridge loans and \$750,000 available for Pre-development loans. Acquisition loans are secured by first mortgages. For Acquisition/Bridge loans, interest is payable quarterly at the Federal Home Loan Bank two-year classic rate, plus 2.75%, with a floor of 3.75%. For Pre-development loans, interest is payable quarterly at the Investor's Base Lending Rate (3.25% at June 30, 2014 and 2013), plus 0.5%. The line of credit is an unsecured revolving line of credit, with maturity in January, 2018. The agreement contains various covenants, including a covenant to maintain a minimum loss reserve on loans in the CEDAC Loan Funds. As of June 30, 2014, CEDAC's risk rating system yielded a rate that was slightly below the covenant. The bank approved CEDAC's request to waive the covenant for fiscal year 2014. As of June 30, 2014, CEDAC was in compliance with all other covenants of the agreement.
- **The Eastern Bank Acquisition Line of Credit** was executed during 2005 to provide capital to finance acquisition loans to nonprofit organizations to construct or rehabilitate affordable housing. The total commitment under this line of credit is \$12.5 million as of June 30, 2014. Acquisition loans are secured by first mortgages. The line of credit is an unsecured revolving line of credit which is reviewed and renewed bi-annually, currently maturing in November, 2014.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(2) **NOTES PAYABLE TO FUNDING SOURCES** (Continued)

- **The Eastern Bank Acquisition Line of Credit** (Continued)

Interest for amounts borrowed is payable quarterly, with rate changes offered by the bank from time-to-time, historically as follows:

<u>Period</u>	<u>Interest Rate</u>
December 20, 2004 - November 14, 2009	Ninety-day London Interbank Offered Rate (LIBOR) plus 1.25% or a fixed rate based on the Federal Home Loan Bank two-year classic rate plus 1.35%
November 15, 2009 - January 28, 2013	Ninety-day LIBOR plus 3% or a fixed rate of 4%
January 29, 2013 - Present	Ninety-day LIBOR plus 3% or a fixed rate of 3.5%

The ninety-day LIBOR was 0.23% and 0.27% at June 30, 2014 and 2013, respectively. The agreement contains various covenants. As of June 30, 2014 and 2013, CEDAC was in compliance with all covenants of the agreement.

- **The Eastern Bank Bridge Loan Line of Credit** was executed during fiscal year 2011 to provide capital to finance bridge loans to nonprofit organizations to move into construction where the nonprofit organization has a commitment from state funding sources for disbursement in future years. The total commitment under this line of credit is \$4 million as of June 30, 2014. Bridge loans to nonprofit organizations are secured by an assignment and pledge by the state source being financed (see Note 4). The line of credit is an unsecured revolving line of credit maturing in November, 2014. The interest rate for loans is 4.75%. Interest is payable quarterly. As of June 30, 2014 and 2013, CEDAC was in compliance with all covenants of the agreement.
- **The Rockland Trust Acquisition Line of Credit** was executed on June 25, 2014, to provide capital to finance acquisition loans to nonprofit organizations to construct or rehabilitate affordable housing. The commitment under this line of credit is \$1 million. Acquisition loans are secured by first mortgages. The line of credit is an unsecured revolving line of credit, currently maturing on June 25, 2016. The interest rate for amounts borrowed is either a floating rate equal to the ninety-day LIBOR plus 3.0% or a fixed rate of 3.5%. Interest is payable quarterly.
- **The Housing Preservation Loan Fund** - In 2009, MacFound committed a \$3 million loan as a Program-Related Investment (PRI) to CEDAC, as the lead agency of the Massachusetts Housing Preservation Initiative of DHCD, which awarded a \$3.5 million grant to match MacFound's PRI. The Housing Preservation Loan Fund allows CEDAC to provide additional acquisition and pre-development loans to nonprofit borrowers seeking to preserve housing in Massachusetts. The loan is payable with three payments of \$1,000,000 each year beginning on October 1, 2017, with the final payment on October 1, 2019, and is unsecured. The interest rate on the loan is 2%.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(2) **NOTES PAYABLE TO FUNDING SOURCES** (Continued)

Notes payable to these funding sources (see Note 3) consist of the following as of June 30:

	<u>2014</u>	<u>2013</u>
CEDAC Loan Funds (see Note 1):		
Life Initiative Loan Fund	\$ 2,000,000	\$ 3,000,000
The Boston Foundation Loan Fund	1,500,000	1,500,000
The Housing Preservation Loan Fund	3,000,000	3,000,000
Eastern Bank Acquisition Loan Fund	7,617,226	3,824,888
Eastern Bank Bridge Loan Fund	-	237,235
Boston Private Bank Acquisition Line	630,000	-
MHP Acquisition Loan Fund	<u>2,176,542</u>	<u>314,500</u>
Total Operating and CEDAC Loan Funds	<u>16,923,768</u>	<u>11,876,623</u>
Loan Funds Under Management:		
Home Funders Collaborative Loan Fund	9,003,666	8,986,178
DND Loan Fund	775,306	654,277
HSF Acquisition Loan Fund	1,711,256	1,698,429
AHT Pre-development Loan Fund	2,554,930	2,874,439
Net DMH Trust (see Note 3)	566,149	565,072
Net HIF/FCF/CBH/HPSTF (see Note 3)	<u>33,041,230</u>	<u>16,735,185</u>
Total Loan Funds Under Management	<u>47,652,537</u>	<u>31,513,580</u>
	<u>\$64,576,305</u>	<u>\$43,390,203</u>

Scheduled principal and estimated interest payments on the notes payable are shown below:

<u>Fiscal Year</u>	<u>CEDAC Loan Funds Principal</u>	<u>Loan Funds Under Management Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 4,076,000	\$ 250,000	\$ 250,021	\$ 4,576,021
2016	7,847,768	3,330,236	227,000	11,405,004
2017	3,000,000	2,711,256	208,667	5,919,923
2018	1,000,000	-	102,000	1,102,000
2019	1,000,000	-	82,000	1,082,000
2020-2023	-	7,753,666	288,854	8,042,520
	<u>16,923,768</u>	<u>14,045,158</u>	<u>1,158,542</u>	<u>32,127,468</u>
Deferred payment loans	-	<u>33,607,379</u>	-	<u>33,607,379</u>
	<u>\$16,923,768</u>	<u>\$47,652,537</u>	<u>\$1,158,542</u>	<u>\$65,734,847</u>

The above balance of deferred payment loans represents the net note payable balances for DMH Trust and HIF/FCF/CBH/HPSTF (see Note 3) as these amounts are expected to be loaned in perpetuity. All notes payable principal repayments reported for CEDAC Loan Funds in fiscal year 2016 are associated with lines of credit funding borrower acquisition loans with maturities in fiscal year 2016.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(2) NOTES PAYABLE TO FUNDING SOURCES (Continued)

The schedule on page 28 has been prepared based on the currently stated maturities of notes payable and related agreements with funding sources. Many of the lenders associated with these notes payable have provided capital to support CEDAC's lending programs for the long-term and have historically renewed note payable agreements upon satisfactory review of the agreements with CEDAC. In addition, CEDAC may also seek to negotiate extensions of lending arrangements that have funded underlying loans receivable (see Note 4) of CEDAC's which may be extended in the ordinary course of business. This schedule has not been adjusted for the impact of any potential agreement renewals or extensions.

Fund:

During fiscal year 2013, the Fund entered into a line of credit agreement with a life insurance initiative. Draws on the line of credit bear interest at 5% for projects financed in Boston, and at 4% for projects financed outside of Boston. Repayments are due as the Fund receives repayments from borrowers under the end loans. The line of credit matures in May, 2018, with a five-year renewal option. The loan is secured by a pledge of assets, including the borrower end loans, except that for any end loans partially funded by the line of credit and partially by other Fund resources, the line of credit lender is secured only by its pro rata share of those end loans.

The loan contains certain restrictions and covenants, with which the Fund was in compliance as of June 30, 2014 and 2013. At June 30, 2014 and 2013, the outstanding balance was \$299,270 and \$319,514, respectively.

(3) UNDERWRITING AND FISCAL AGENT SERVICES AND LOANS PAYABLE

Department of Housing and Community Development (DHCD)

CEDAC serves as underwriter and fiscal agent for Housing Innovations Fund, Facilities Consolidation Fund, Community-Based Housing, and Housing Preservation and Stabilization Trust Fund loans that are committed by DHCD. Upon closing of each loan, DHCD generally disburses loan proceeds and related fees to CEDAC for disbursement to the designated borrowers. CEDAC also serves as disbursing agent for legal fees associated with these loans and disbursed \$159,312 and \$180,311 of legal fees during fiscal years 2014 and 2013, respectively.

Notes and mortgages executed in connection with each loan are assigned to CEDAC, which is responsible for the collection of loan repayments. CEDAC and its officers, directors and employees are not liable to DHCD for any losses on loans not repaid or otherwise recovered. DHCD is also responsible for monitoring the performance of these loans.

- **The Housing Innovations Fund (HIF)** was funded by \$396 million in general obligation bonding authority. The funds are used to support subordinated deferred payment mortgage loans to specific affordable housing projects owned by nonprofit organizations.
- **The Facilities Consolidation Fund Pooling Program (FCF)** was funded by \$272 million in general obligation bonding authority. The funds are used to support subordinated deferred payment mortgage loans to nonprofit organizations. FCF program loans are targeted to clients leaving state supported facilities operated by the Massachusetts Department of Developmental Services (DDS) and the Massachusetts Department of Mental Health (DMH).

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(3) UNDERWRITING AND FISCAL AGENT SERVICES AND LOANS PAYABLE (Continued)

Department of Housing and Community Development (DHCD) (Continued)

- **The Community-Based Housing Program (CBH)** was funded by \$118 million in general obligation bonding authority. The funds are used to support subordinated deferred payment mortgage loans to nonprofit organizations. CBH program loans are targeted to support disabled individuals not served by DDS or DMH.
- **The Housing Preservation and Stabilization Trust Fund (HPSTF)** was funded by a \$7 million capitalization in accordance with Section 60 of MGL c 121B. The funds are used to support subordinated deferred payment mortgage loans to nonprofit organizations. HPSTF program loans provide affordable housing for low-income families and individuals, particularly those most at risk of becoming homeless.

By agreement with DHCD, a fee is paid to CEDAC to cover the administrative costs of underwriting these mortgages. Interest earnings on these funds are added to the note payable balance until returned to the funding source. HIF, FCF, CBH and HPSTF notes payable are presented in the combined general purpose financial statements net of loans receivable at June 30, 2014 and 2013.

Gross loans receivable and notes payable by loan program are as follows:

<u>2014</u>	<u>HIF</u>	<u>FCF</u>	<u>CBH</u>	<u>HPSTF</u>	<u>Total</u>
Note payable, June 30, 2014	\$192,979,119	\$108,760,628	\$37,059,580	\$7,001,176	\$345,800,503
Less - loans receivable	<u>175,965,933</u>	<u>104,558,688</u>	<u>32,234,652</u>	<u>-</u>	<u>312,759,273</u>
Net note payable, June 30, 2014	<u>\$ 17,013,186</u>	<u>\$ 4,201,940</u>	<u>\$ 4,824,928</u>	<u>\$7,001,176</u>	<u>\$ 33,041,230</u>
<u>2013</u>	<u>HIF</u>	<u>FCF</u>	<u>CBH</u>	<u>HPSTF</u>	<u>Total</u>
Note payable, June 30, 2013	\$176,123,244	\$102,168,421	\$32,155,248	\$ -	\$310,446,913
Less - loans receivable	<u>168,612,098</u>	<u>96,985,171</u>	<u>28,114,459</u>	<u>-</u>	<u>293,711,728</u>
Net note payable, June 30, 2013	<u>\$ 7,511,146</u>	<u>\$ 5,183,250</u>	<u>\$ 4,040,789</u>	<u>\$ -</u>	<u>\$ 16,735,185</u>

Net notes payable of the HIF, FCF, CBH and HPSTF programs represent amounts held by CEDAC committed for future lending (see Note 10).

Department of Early Education and Care (EEC)

CEDAC was selected by the Department of Early Education and Care (EEC) to administer an Early Education and Out of School Time (EEOST) Capital Fund, which was authorized as part of the community development bond bill passed by the Massachusetts Legislature in July, 2014. The Legislature authorized up to \$45 million to support nonprofit center-based early education and out-of-school time programs. With the EEOST Capital Funds, EEC may award grants or loans to providers to support acquisition, design, construction and/or renovation of the centers funded.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(3) UNDERWRITING AND FISCAL AGENT SERVICES AND LOANS PAYABLE (Continued)

Department of Early Education and Care (EEC) (Continued)

CEDAC is under contract to EEC to serve as underwriter and fiscal agent for the EEOST Capital Fund, and will administer the funds committed by EEC. EEC has also contracted with CEDAC to assist with the design of the program and development of program documents in the first year of program operations. Upon closing of each loan or grant, EEC will disburse loan proceeds and related fees to CEDAC for disbursement to the designated early education and/or out-of-school time provider. CEDAC will utilize the services of its controlled affiliate, the Fund, to perform underwriting and grant administration of EEOST capital projects.

CEDAC will also serve as disbursing agent for legal fees associated with these awards. No funds were disbursed in fiscal year 2014.

Each EEOST Capital Fund award will be secured by a mortgage and land use restriction, which will be assigned to CEDAC to administer. CEDAC and its officers, directors and employees are not liable to EEC for any losses on loans not repaid or otherwise recovered. EEC is also responsible for monitoring the performance of the awards.

As of June 30, 2014, no net payables have been recorded as no funds were disbursed prior to year-end. EEC anticipates announcing the first awards from EEOST Capital Fund in fiscal year 2015.

Department of Mental Health (DMH)

CEDAC was selected by the Department of Mental Health (DMH) to administer a MetState Housing Creation Trust Fund (the MetState Fund) and received a capitalization of \$3.74 million in fiscal year 2010. The MetState Fund was established in 2006 with the purpose of financing the acquisition of ten units of off-site housing in the DMH metro Suburban Area for occupancy by DMH clients. Under the terms of the agreement executed between CEDAC and DMH, CEDAC selected a nonprofit service provider, and has entered into long-term loan and use agreements for each of the ten units procured. CEDAC oversaw the development of the ten units jointly with DMH and is responsible for loan monitoring over the loan term. Under the terms of the agreement, CEDAC received fees for program start-up, site selection, and on-going administration, which are funded from the loan fund. As of June 30, 2014 and 2013, CEDAC held \$112,500 for long-term administration and compliance. These funds are included in deferred revenue in the accompanying combined general purpose financial statements (see Note 9). Interest accrues to the loan fund, which can be used to fund additional program costs as may be mutually agreed between DMH and CEDAC.

Gross loan receivable and note payable are as follows:

	<u>2014</u>	<u>2013</u>
Note payable	\$3,491,661	\$3,490,584
Less - loans receivable	<u>2,925,512</u>	<u>2,925,512</u>
Net note payable	<u>\$ 566,149</u>	<u>\$ 565,072</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(4) LOANS RECEIVABLE

CEDAC loans receivable consist of amounts advanced on pre-development, acquisition, and bridge loan commitments at June 30, 2014 and 2013. CEDAC classifies all loans as long-term, except in cases where the funding source stipulates a maximum loan term. CEDAC pre-development loans are generally unsecured, bear interest at rates between 0% and 7%, and principal and interest are due at the first project closing. Acquisition loans are prime-based variable rate loans or loans of fixed rates up to 8.0%, and are secured by a first mortgage on the property acquired. Interest on acquisition loans is due quarterly and principal is due on the earlier of the loan's maturity or the closing of the first project financing. Bridge loans are secured by a pledge of state sources being financed. Interest on bridge loans accrues at rates between 2% and 8% and is due when the state funds being bridged are received.

Loan receivable balances of CEDAC include:

<u>2014</u>	<u>Number of Loans</u>	<u>Loan Balance</u>	<u>Allowance (see Note 5)</u>	<u>Net Loan Receivable</u>
Pre-development loans	66	\$ 8,533,787	\$(1,264,271)	\$ 7,269,516
Acquisition loans	16	<u>20,250,961</u>	<u>(607,140)</u>	<u>19,643,821</u>
Total	<u>82</u>	28,784,748	(1,871,411)	26,913,337
Less - current portion		<u>7,160,664</u>	<u>(233,662)</u>	<u>6,927,002</u>
Long-term portion		<u>\$21,624,084</u>	<u>\$(1,637,749)</u>	<u>\$19,986,335</u>
<u>2013</u>	<u>Number of Loans</u>	<u>Loan Balance</u>	<u>Allowance (see Note 5)</u>	<u>Net Loan Receivable</u>
Pre-development loans	64	\$ 6,900,529	\$(1,286,508)	\$ 5,614,021
Acquisition loans	11	15,295,903	(433,952)	14,861,951
Bridge loan	<u>1</u>	<u>237,235</u>	<u>-</u>	<u>237,235</u>
Total	<u>76</u>	22,433,667	(1,720,460)	20,713,207
Less - current portion		<u>11,376,890</u>	<u>(270,843)</u>	<u>11,106,047</u>
Long-term portion		<u>\$11,056,777</u>	<u>\$(1,449,617)</u>	<u>\$ 9,607,160</u>

See Note 10 for disclosure of loan commitments.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(4) LOANS RECEIVABLE (Continued)

The Fund loans are stated at the amount of unpaid principal, net of third-party loan participations, which qualify as asset transfers and are reduced by an allowance for loan losses (see Note 5). Loans receivable bear interest at rates ranging from 5.25% to 7.5%. Major classifications of loans are as follows at June 30:

<u>2014</u>	<u>Number of Loans</u>	<u>Loan Balance</u>	<u>Allowance (see Note 5)</u>	<u>Net Loan Receivable</u>
Childcare Term	10	\$1,254,609	\$(116,949)	\$1,137,660
Childcare Acquisition	1	250,000	(7,500)	242,500
Childcare Pre-development	<u>4</u>	<u>353,738</u>	<u>(50,374)</u>	<u>303,364</u>
Total	<u>15</u>	1,858,347	(174,823)	1,683,524
Less - current portion		<u>325,333</u>	<u>(31,677)</u>	<u>293,656</u>
Long-term portion		<u>\$1,533,014</u>	<u>\$(143,146)</u>	<u>\$1,389,868</u>
<u>2013</u>	<u>Number of Loans</u>	<u>Loan Balance</u>	<u>Allowance (see Note 5)</u>	<u>Net Loan Receivable</u>
Childcare Term	8	\$1,238,662	\$ (79,969)	\$1,158,693
Childcare Pre-development	<u>3</u>	<u>454,072</u>	<u>(52,907)</u>	<u>401,165</u>
Total	<u>11</u>	1,692,734	(132,876)	1,559,858
Less - current portion		<u>314,041</u>	<u>(23,067)</u>	<u>290,974</u>
Long-term portion		<u>\$1,378,693</u>	<u>\$(109,809)</u>	<u>\$1,268,884</u>

(5) ALLOWANCE FOR UNCOLLECTIBLE LOANS

The allowance for uncollectible loans has been allocated to the long-term and current portions of the loan portfolio based on identification of the risk of loss associated with individual loans.

CEDAC activity in the allowance is summarized as following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Balance, June 30, 2012	\$1,789,304	\$224,318	\$2,013,622
Changes to allowance	(42,937)	75,543	32,606
Loans forgiven	<u>(25,907)</u>	<u>-</u>	<u>(25,907)</u>
Balance, June 30, 2013	1,720,460	299,861	2,020,321
Changes to allowance	232,329	6,046	238,375
Uncollectible loans written off	(60,000)	-	(60,000)
Loans forgiven	<u>(21,378)</u>	<u>-</u>	<u>(21,378)</u>
Balance, June 30, 2014	<u>\$1,871,411</u>	<u>\$305,907</u>	<u>\$2,177,318</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(5) ALLOWANCE FOR UNCOLLECTIBLE LOANS (Continued)

The Fund activity in the allowance is summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Balance, June 30, 2012	\$ 71,468	\$ 2,898	\$ 74,366
Changes to allowance	<u>61,408</u>	<u>1,276</u>	<u>62,684</u>
Balance, June 30, 2013	132,876	4,174	137,050
Changes to allowance	<u>41,947</u>	<u>(3,520)</u>	<u>38,427</u>
Balance, June 30, 2014	<u>\$174,823</u>	<u>\$ 654</u>	<u>\$175,477</u>

(6) AGENCY FUNDS HELD FOR OTHERS

As part of its regular activities, CEDAC may serve as fiscal intermediary for a variety of governmental and nonprofit partners. The terms of each relationship are outlined in agreements between the parties involved. These funds are listed as Agency Funds in the combined general purpose financial statements in the combined statements of fiduciary net position as funds held for others.

Through an agreement with the Massachusetts Rehabilitation Commission (MRC), CEDAC provides fiscal intermediary services for the Home Modifications for the Disabled Loan (HMDL) Program. Through this program, MRC and CEDAC select regional nonprofit corporations to underwrite and service loans to qualifying homeowners to modify their homes to accommodate disabled individuals. CEDAC serves as employer for one employee of the HMDL Program.

CEDAC serves as fiscal sponsor for a collaborative funding program of a group of Boston-based foundations, the Boston Schoolyards Funding Collaborative. Through this program, the funders awarded grants to create outdoor classrooms and playgrounds in Boston Public School properties. During fiscal year 2014, the Boston Schoolyards Funding Collaborative voted to cease operations, acknowledging that the program had substantially accomplished its mission. CEDAC will continue to serve as fiscal sponsor until the program fully closes. CEDAC served as employer for the four employees of the collaborative through December 31, 2013.

Agency funds held for others include the following as of June 30:

	<u>2014</u>	<u>2013</u>
MRC HMDL program	\$2,290,259	\$2,815,423
Boston Schoolyards Funders Collaborative	<u>79,875</u>	<u>488,573</u>
Total	<u>\$2,370,134</u>	<u>\$3,303,996</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(7) INVESTMENTS AND CASH EQUIVALENTS

CEDAC follows the GASB standards for *Deposits and Investment Risk Disclosures*, which addresses disclosure requirements for concentration, credit, and interest rate risks associated with financial investments.

The table below represents CEDAC's total cash and investment of funds as of June 30, 2014:

<u>2014</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less than 1</u>	<u>1 or more</u>
Massachusetts Municipal Depository Trust - Cash Portfolio	\$43,743,707	\$43,743,707	\$43,743,707	\$ -
Other cash	5,783,494	5,783,494	5,783,494	-
Government sponsored enterprise notes	<u>1,739,500</u>	<u>1,690,019</u>	<u>-</u>	<u>1,690,019</u>
Total	<u>\$51,266,701</u>	<u>\$51,217,220</u>	<u>\$49,527,201</u>	<u>\$1,690,019</u>

The table below represents CEDAC's total cash and investment of funds as of June 30, 2013:

<u>2013</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less than 1</u>	<u>1 or more</u>
Massachusetts Municipal Depository Trust - Cash Portfolio	\$27,301,023	\$27,301,023	\$27,301,023	\$ -
Other cash	5,792,149	5,792,149	5,792,149	-
Government sponsored enterprise notes	<u>1,199,500</u>	<u>1,146,173</u>	<u>-</u>	<u>1,146,173</u>
Total	<u>\$34,292,672</u>	<u>\$34,239,345</u>	<u>\$33,093,172</u>	<u>\$1,146,173</u>

The table below represents the Fund's total cash and investment of funds as of June 30, 2014.

	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less than 1</u>	<u>1 or more</u>
Massachusetts Municipal Depository Trust - Cash Portfolio	\$ 1,233,771	\$ 1,233,771	\$ 1,233,771	\$ -
Other cash	<u>266,477</u>	<u>266,477</u>	<u>266,477</u>	<u>-</u>
Total	<u>\$ 1,500,248</u>	<u>\$ 1,500,248</u>	<u>\$ 1,500,248</u>	<u>\$ -</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(7) **INVESTMENTS AND CASH EQUIVALENTS** (Continued)

The table below represents the Fund's total cash and investment of funds as of June 30, 2013.

	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less than 1</u>	<u>1 or more</u>
Massachusetts Municipal Depository Trust - Cash Portfolio	\$ 363,278	\$ 363,278	\$ 363,278	\$ -
Other cash	256,025	256,025	256,025	-
Government sponsored enterprise notes	<u>540,000</u>	<u>532,219</u>	<u>-</u>	<u>532,219</u>
Total	<u>\$ 1,159,303</u>	<u>\$ 1,151,522</u>	<u>\$ 619,303</u>	<u>\$ 532,219</u>

The table below represents funds held by the Massachusetts Municipal Deposit Trust (MMDT). The MMDT - cash portfolio is managed independently and CEDAC cannot influence how investments are allocated among the categories disclosed below. The MMDT - cash portfolio held investments and cash equivalents as follows as of June 30:

	<u>Securities With an Effective Maturity of:</u>		<u>Percentage of Total Net Position</u>	
			<u>2014</u>	<u>2013</u>
1 - 30 Days			53.5%	40.4%
31 - 90 Days			27.7%	39.1%
91 - 180 Days			11.7%	15.5%
181 - 397 Days			<u>7.1%</u>	<u>5.0%</u>
Total			<u>100.0%</u>	<u>100.0%</u>

The credit quality ratings for the funds were as follows as of June 30:

	<u>2014</u>	<u>Fair Value</u>	<u>Credit Quality Ratings</u>	
			<u>AAA</u>	<u>Unrated</u>
Massachusetts Municipal Depository Trust		\$43,743,707	See below	
Other cash		5,783,477	\$ -	\$5,783,477
Government sponsored enterprise notes		<u>1,690,019</u>	<u>1,690,019</u>	<u>-</u>
Total		<u>\$51,217,203</u>	<u>\$1,690,019</u>	<u>\$5,783,477</u>

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(7) **INVESTMENTS AND CASH EQUIVALENTS** (Continued)

	<u>2013</u>	<u>Credit Quality Ratings</u>	
		<u>Fair Value</u>	<u>AAA</u>
Massachusetts Municipal Depository Trust	\$27,301,023		See below
Other cash	5,792,149	\$ -	\$5,792,149
Government sponsored enterprise notes	<u>1,146,173</u>	<u>1,146,173</u>	<u>-</u>
Total	<u>\$34,239,345</u>	<u>\$1,146,173</u>	<u>\$5,792,149</u>

The cash portfolio may only invest in securities rated in one of the two highest short-term rating categories by nationally recognized statistical rating organizations (NRSROs) or unrated securities of comparable quality. An NRSRO's two highest rating categories are determined without regard for sub-categories and gradations. For example, securities rated SP-1+, SP-1 or SP-2 by Standard & Poor's, MIG-1, or MIG-2 by Moody's Investors Service, or F-1+, F-1 or F-2 by Fitch Ratings, are all considered rated in one of the two highest short-term rating categories.

Securities rated in the highest short-term rating category (and unrated securities of comparable quality) are identified as First Tier securities. Securities rated in the second highest short-term rating category (and unrated securities of comparable quality) are identified as Second Tier securities. The Cash Portfolio follows applicable regulations in determining whether a security is rated and whether a security rated by multiple NRSROs in different rating categories should be identified as a First or Second Tier security.

Credit ratings for the securities in the cash portfolio are shown in the table below based on total market value as of June 30:

	<u>Cash Portfolio Quality Diversification</u>	
	<u>First Tier</u>	<u>Second Tier</u>
2014	96.7%	3.3%
2013	96.6%	3.4%

(8) **DEFERRED COMPENSATION PLAN**

CEDAC has a deferred compensation plan which is qualified under Section 403(b) of the IRC. The plan calls for required employee contributions of 3% of the employee's gross salary, and CEDAC matches the employee's required contribution with a contribution of 4.5% of gross salary each pay period. CEDAC's contributions for the years ended June 30, 2014 and 2013, were \$91,866 and \$95,641, respectively, and are included in employee compensation in the accompanying combined general purpose financial statements.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(8) DEFERRED COMPENSATION PLAN (Continued)

In addition, CEDAC has established a deferred compensation plan as a fringe benefit, whereby in each pay period 5.5% of each employee's gross wages are deposited into a separate cash account. At each employee's anniversary date of employment, the employee has the option of withdrawing the amount accumulated in his or her name or transferring the entire amount into a deferred compensation account to which employees may make voluntary contributions. CEDAC's contributions were \$100,187 and \$105,204 for the years ended June 30, 2014 and 2013, respectively, and are included in employee compensation in the accompanying combined general purpose financial statements.

(9) DEFERRED REVENUE

Deferred revenue in the Operating and CEDAC Loan Funds consists of unearned underwriting fees and grants which have been received but not yet earned as of June 30, 2014 and 2013.

Included in the loan funds is deferred revenue for administrative and legal fees associated with the MetState Fund as described in Note 3, and to pay legal fees associated with permanent loans as directed by DHCD.

The deferred revenue balances are as follows for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Operating and CEDAC Loan Funds:		
Unearned Underwriting Fees and Grants	\$ 561,294	\$144,623
Unearned Underwriting Fees and Monitoring DMH MetState Trust Loan Program	112,500	112,500
Total Operating and CEDAC Loan Funds	673,794	257,123
Loan Funds Under Management:		
Deferred legal fees	747,869	537,181
Total deferred revenue	\$1,421,663	\$794,304

(10) COMMITMENTS

Facility Lease

CEDAC entered into a ten-year operating lease in December, 2006, and, in 2009, entered into an amendment to the lease to incorporate additional space leased in 2009 through the termination date of the original lease. The lease is secured by an irrevocable standby letter of credit issued by a bank in the amount of \$84,615. Rental expenses were \$395,626 and \$383,689 for the years ended June 30, 2014 and 2013, respectively. Rental payments may be adjusted for increases in taxes and operating costs above specific amounts.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(10) COMMITMENTS (Continued)

Facility Lease (Continued)

Future minimum payments under this lease obligation are as follows:

2015	\$368,596
2016	\$371,603
2017	\$167,614

Loan Commitments

CEDAC had unfunded loan commitments outstanding as follows as of June 30:

	<u>2014</u>	<u>2013</u>
Pre-development, acquisition and bridge loans	\$ 37,775,616	\$ 31,496,886
Subordinated deferred payment loans	<u>33,607,379</u>	<u>17,300,256</u>
Total outstanding commitments	71,382,995	48,797,142
Less - loans receivable	<u>(28,784,748)</u>	<u>(22,433,667)</u>
Total outstanding commitments	42,598,247	26,363,475
Less - commitments to be drawn under credit lines	<u>(2,211,500)</u>	<u>(4,441,699)</u>
Total outstanding commitments held in cash and short-term investments	<u>\$ 40,386,747</u>	<u>\$ 21,921,776</u>

The Fund had unfunded loan commitments outstanding of \$1,461,750 and \$350,000 as of June 30, 2014 and 2013, respectively.

(11) RELATED PARTY TRANSACTIONS

CEDAC has a contract with the Fund (see Note 1) to provide administrative and management services to the Fund. A summary of activity with the Fund is as follows as of June 30:

	<u>2014</u>	<u>2013</u>
Services provided to the Fund during the fiscal year	<u>\$471,400</u>	<u>\$454,929</u>
Accounts receivable from the Fund at end of fiscal year	<u>\$ 42,723</u>	<u>\$ 27,134</u>

CEDAC has a contract with the Fund to provide these services during fiscal year 2015 for an amount not to exceed \$884,078.

CEDAC received and passed-through to the Fund \$150,000 in both fiscal years 2014 and 2013 from a foundation grant that was restricted for the Fund's activities. In fiscal year 2013, CEDAC also made an unrestricted grant of \$90,000 to the Fund.

**COMMUNITY ECONOMIC DEVELOPMENT
ASSISTANCE CORPORATION AND AFFILIATE**

**NOTES TO COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
(Continued)**

(12) FAIR VALUE OF FINANCIAL INSTRUMENTS

As of June 30, 2014 and 2013, the carrying amounts and approximate fair value of CEDAC's financial instruments are as follows:

	<u>2014</u>		<u>2013</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 1,954,049	\$ 1,954,049	\$ 1,384,557	\$ 1,384,557
Restricted cash and cash equivalents	\$47,573,152	\$47,573,152	\$31,708,416	\$31,708,416
Investments	\$ 1,690,019	\$ 1,690,019	\$ 1,146,173	\$ 1,146,173
Loans receivable, net	\$26,913,337		\$20,713,207	
Notes payable to funding sources	\$64,576,305		\$43,390,203	

As of June 30, 2014 and 2013, the carrying amounts and approximate fair value of the Fund's financial instruments are as follows:

	<u>2014</u>		<u>2013</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 1,059,899	\$ 1,059,899	\$ 469,370	\$ 469,370
Restricted cash and cash equivalents	\$ 440,349	\$ 440,349	\$ 149,933	\$ 149,933
Investments	\$ -	\$ -	\$ 532,219	\$ 532,219
Loans receivable, net	\$ 1,683,524		\$ 1,559,858	
Notes payable to funding sources	\$ 299,270		\$ 319,514	

Cash and cash equivalents, restricted cash and cash equivalents, and investments - The carrying amounts reported in the combined statements of net position for these instruments approximate their fair market values because of the highly liquid nature of these instruments.

Loans receivable, net and notes payable to funding sources - It was not practicable to estimate the fair value of these instruments given the unique nature of these instruments and the inability to estimate fair value without incurring excessive costs. However, the notes payable to funding sources' fair value is known to be less than the carrying value at June 30, 2014 and 2013.

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION AND AFFILIATE

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	ENTERPRISE FUNDS - CEDAC					COMPONENT UNIT	(Memorandum Only) TOTAL
	PROGRAM EXPENSES		MANAGE-	CEDAC			
	HOUSING AND INTERMEDIARY PROGRAM	CHILD CARE PROGRAM	MENT AND GENERAL	TOTAL	THE FUND		
EMPLOYEE COMPENSATION:							
Salaries	\$ 973,567	\$ 298,803	\$ 65,977	\$ 594,893	\$ 1,933,240	\$ -	\$ 1,933,240
Fringe benefits and payroll taxes	303,822	91,147	24,306	188,370	607,645	-	607,645
Total employee compensation	1,277,389	389,950	90,283	783,263	2,540,885	-	2,540,885
PROFESSIONAL FEES:							
Management fees	-	-	-	-	-	471,400	471,400
Contracted services	146,865	-	31,222	114,343	292,430	141,347	433,777
Accounting and audit	17,844	6,320	1,859	11,151	37,174	18,248	55,422
Legal	11,451	358	-	14,542	26,351	15,916	42,267
Total professional fees	176,160	6,678	33,081	140,036	355,955	646,911	1,002,866
OTHER:							
Grants and related expenses	-	150,000	44,903	-	194,903	543,955	738,858
Rent	223,481	53,556	15,302	103,287	395,626	-	395,626
In-kind services	-	-	-	-	-	73,319	73,319
Supplies and document storage	23,164	8,204	2,413	14,476	48,257	834	49,091
Depreciation	18,991	6,726	1,978	11,869	39,564	-	39,564
Travel	19,480	-	-	1,591	21,071	4,073	25,144
Insurance	8,076	2,860	841	5,048	16,825	7,066	23,891
Other expenses	9,228	3,267	961	5,766	19,222	1,393	20,615
Maintenance and repair	7,728	2,737	805	4,829	16,099	-	16,099
Equipment	5,387	1,908	561	3,367	11,223	-	11,223
Memberships	5,009	1,774	522	3,130	10,435	641	11,076
Utilities	4,954	1,187	339	2,290	8,770	-	8,770
Telephone	373	-	97	6,257	6,727	-	6,727
Printing	3,163	1,120	329	1,977	6,589	-	6,589
Postage and messengers	3,160	1,119	329	1,974	6,582	-	6,582
Staff development	2,034	720	212	1,272	4,238	1,100	5,338
Publications and subscriptions	2,132	755	222	1,333	4,442	-	4,442
Total other	336,360	235,933	69,814	168,466	810,573	632,381	1,442,954
Total expenses	\$ 1,789,909	\$ 632,561	\$ 193,178	\$ 1,091,765	\$ 3,707,413	\$ 1,279,292	\$ 4,986,705

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	ENTERPRISE FUNDS - CEDAC					COMPONENT UNIT	(Memorandum Only) TOTAL	
	PROGRAM EXPENSES		MANAGE-	MENT				THE FUND
	HOUSING AND INTERMEDIARY PROGRAM	CHILD CARE PROGRAM	ECONOMIC DEVELOPMENT	GENERAL	CEDAC TOTAL			
EMPLOYEE COMPENSATION:								
Salaries	\$ 1,064,409	\$ 265,380	\$ 70,121	\$ 624,695	\$ 2,024,605	\$ -	\$ 2,024,605	
Fringe benefits and payroll taxes	284,072	73,859	17,044	193,169	568,144	-	568,144	
Total employee compensation	1,348,481	339,239	87,165	817,864	2,592,749	-	2,592,749	
PROFESSIONAL FEES:								
Management fees	-	-	-	-	-	454,929	454,929	
Contracted services	82,779	-	42,812	65,332	190,923	141,132	332,055	
Accounting and audit	16,075	5,825	2,055	9,295	33,250	16,850	50,100	
Legal	31,250	465	-	16,794	48,509	18,978	67,487	
Total professional fees	130,104	6,290	44,867	91,421	272,682	631,889	904,571	
OTHER:								
Grants and related expenses	-	240,000	76,210	-	316,210	442,707	758,917	
Rent	238,659	44,148	13,748	87,134	383,689	-	383,689	
In-kind services	-	-	-	-	-	43,894	43,894	
Supplies and document storage	20,742	7,517	2,652	11,994	42,905	790	43,695	
Depreciation	23,176	8,398	2,963	13,401	47,938	3,392	51,330	
Travel	17,044	-	-	1,706	18,750	1,925	20,675	
Insurance	7,090	2,569	907	4,100	14,666	6,363	21,029	
Other expenses	7,197	2,608	920	4,162	14,887	5,024	19,911	
Maintenance and repair	9,276	3,361	1,186	5,364	19,187	-	19,187	
Equipment	4,108	1,488	525	2,375	8,496	-	8,496	
Memberships	4,061	1,472	519	2,348	8,400	450	8,850	
Utilities	5,235	968	301	1,911	8,415	-	8,415	
Telephone	705	-	230	6,280	7,215	-	7,215	
Printing	4,133	1,497	528	2,389	8,547	1,060	9,607	
Postage and messengers	4,645	1,683	594	2,687	9,609	-	9,609	
Staff development	3,230	1,170	413	1,867	6,680	-	6,680	
Publications and subscriptions	1,975	716	253	1,142	4,086	-	4,086	
Total other	351,276	317,595	101,949	148,860	919,680	505,605	1,425,285	
Total expenses	\$ 1,829,861	\$ 663,124	\$ 233,981	\$ 1,058,145	\$ 3,785,111	\$ 1,137,494	\$ 4,922,605	

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AGENCY NUMBER</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through the City of Boston, Department of Neighborhood Development:			
Community Development Block Grants/ Entitlement Grants (CDBG – Entitlement Grants Cluster)	14.218	N/A	\$ 960,801
<u>U.S. Department of Labor</u>			
Passed-through the Employee Training Administration:			
Green Jobs Innovation Fund Grants	17.279	N/A	4,165
<u>U.S. Department of Health and Human Services</u>			
Direct:			
Community Services Block Grant	93.569	N/A	<u>57,540</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$1,022,506</u>

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the Federal assistance activity of CEDAC and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

CEDAC and Affiliate's combined general purpose financial statements include the operations of the Children's Investment Fund, which are not included in the accompanying SEFA during the year ended June 30, 2014, since the component unit is not subject to OMB Circular A-133.

NOTE 2. LOAN OUTSTANDING

The Community Development Block Grants/ Entitlement Grants expenditures listed above include an outstanding loan balance of \$775,306 as of June 30, 2014.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Board of Directors of
Community Economic Development Assistance Corporation:

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 combined general purpose financial statements of Community Economic Development Assistance Corporation (CEDAC) (a component unit of the Commonwealth of Massachusetts) and Children's Investment Fund, Inc. (a component unit of CEDAC) (the Fund), which comprise the combined statement of net position as of June 30, 2014, and the related combined statements of revenues, expenses and changes in net position, cash flows and fiduciary net position for the year then ended, and the related notes to the combined general purpose financial statements, and have issued our report thereon dated September 18, 2014. The financial statements of the Fund were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined general purpose financial statements, we considered CEDAC'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 combined general purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of CEDAC's internal control. Accordingly, we do not express an opinion on the effectiveness of CEDAC'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 CEDAC's combined general purpose 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 CEDAC's combined general purpose 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 combined general purpose 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 CEDAC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CEDAC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alexander, Grosser, Pinning & Co., P.C.

Boston, Massachusetts
September 18, 2014

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

To the Board of Directors of
Community Economic Development Assistance Corporation:

Report on Compliance for Each Major Federal Program

We have audited Community Economic Development Assistance Corporation's (CEDAC) (a component unit of the Commonwealth of Massachusetts) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on CEDAC's major Federal program for the year ended June 30, 2014. CEDAC's major Federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for CEDAC's major Federal program 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 CEDAC'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 CEDAC's compliance.

Opinion on the Major Federal Program

In our opinion, CEDAC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of CEDAC 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 CEDAC's internal control over compliance with the types of requirements that could have a direct and material effect on the major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 CEDAC'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Boston, Massachusetts
September 18, 2014

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014**

I. SUMMARY OF AUDITOR'S RESULTS

Combined General Purpose 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 combined general purpose financial statements noted? Yes No

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 section 510(a) of OMB Circular A-133? Yes No

Identification of major program:

<u>Program or Cluster Title</u>	Federal CFDA Number
Community Development Block Grants/Entitlement Grants (CDBG – Entitlement Grants Cluster)	14.218

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

Auditee qualified as low-risk auditee? Yes No

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2014

(Continued)

II. COMBINED GENERAL PURPOSE FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None