

**Chinese-American Planning Council, Inc. and
Affiliates**

Consolidated Financial Statements

June 30, 2019 and 2018

Independent Auditors' Report

Board of Directors Chinese-American Planning Council, Inc. and Affiliates

We have audited the accompanying consolidated financial statements of Chinese-American Planning Council, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of operations and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that were 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 the significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chinese-American Planning Council, Inc. and Affiliates as of June 30, 2019 and 2018, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis-of-Matter

As of June 30, 2019 and 2018, the allowance for doubtful accounts is included in Due to HRA on the consolidated statements of financial position. The methodology describing this treatment is discussed in Note 2. Our opinion is not modified with respect to this matter.

Adoption of New Accounting Guidance

As discussed in Note 2 of the consolidated financial statements, during the year ended June 30, 2019, Chinese-American Planning Council, Inc. and Affiliates adopted new accounting guidance resulting in a change in the manner in which they present net assets and report certain aspects of their consolidated financial statements. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 31 to 34 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

November 25, 2019

Chinese-American Planning Council, Inc. and Affiliates

Consolidated Statements of Financial Position

	June 30	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents - Note 3	\$ 37,048,143	\$ 32,743,665
Grants and contracts receivable - Note 5	22,744,344	13,933,523
Accounts receivable, net - Note 6	10,870,663	7,962,716
Other receivables	1,380,215	910,469
Prepaid expenses and deposits - Note 7	531,587	670,995
Investments - Note 8	1,175,672	1,150,112
Tenants' security deposits	41,570	40,954
Custodial funds - Note 9	3,840,939	3,854,577
Total Current Assets	77,633,133	61,267,011
Non-Current Assets		
Restricted cash and cash equivalents - Note 4	12,431,778	12,015,216
Other security deposits	4,320	-
Note receivable	473,000	21,919,256
Restricted deposits	762,032	676,948
Property and equipment, net - Note 10	31,233,113	32,067,816
Total Non-Current Assets	44,904,243	66,679,236
	\$ 122,537,376	\$ 127,946,247
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses - Note 11	\$ 28,968,247	\$ 18,771,581
Refundable advances	25,000	392,510
Deferred revenue	25,585	-
Other current liabilities	1,421,503	1,313,549
Lines of credit - Note 13	2,500,000	3,000,000
Due to funding sources - Note 14	-	39,546
Tenants' security deposits payable	41,570	40,954
Mortgages payable - current portion - Note 15	3,942,479	4,035,558
Total Current Liabilities	36,924,384	27,593,698
Non-Current Liabilities		
Due to New York City Human Resources Administration ("HRA") - Note 14	18,271,563	18,261,390
Mortgages payable, non-current, net - Note 15	17,295,044	17,578,297
Reserve for disallowance - Note 16	7,687,398	7,687,398
Total Non-Current Liabilities	43,254,005	43,527,085
Total Liabilities	80,178,389	71,120,783
Net Assets		
Without donor restrictions	38,162,239	52,669,009
With donor restrictions	4,196,748	4,156,455
Total Net Assets	42,358,987	56,825,464
	\$ 122,537,376	\$ 127,946,247

See notes to the consolidated financial statements

Chinese-American Planning Council, Inc. and Affiliates

Consolidated Statements of Operations and Change in Net Assets

	For the Year Ended June 30,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Government grants and contracts	\$ 216,747,557	\$ -	\$ 216,747,557	\$ 182,470,735	\$ -	\$ 182,470,735
Contributions and private grants	2,364,538	103,071	2,467,609	2,613,706	91,431	2,705,137
Rental revenue	1,716,017	-	1,716,017	2,436,082	-	2,436,082
Contracted sources	2,416,991	33,615	2,450,606	1,929,364	-	1,929,364
Special events, net of \$109,655 and \$95,910 of costs of direct benefit to donors	549,359	40,875	590,234	437,992	-	437,992
Interest and dividend income	200,035	14,305	214,340	155,404	12,535	167,939
Net unrealized and realized gain	1,673	-	1,673	-	-	-
Other public support	1,109,457	779	1,110,236	3,359,835	124,333	3,484,168
Net assets released from restrictions	152,352	(152,352)	-	307,337	(307,337)	-
Total Revenue	<u>225,257,979</u>	<u>40,293</u>	<u>225,298,272</u>	<u>193,710,455</u>	<u>(79,038)</u>	<u>193,631,417</u>
EXPENSES						
Program Services						
Home attendant program	177,801,314	-	177,801,314	144,744,427	-	144,744,427
Community services	6,086,724	-	6,086,724	5,892,475	-	5,892,475
Senior citizens' services	4,903,370	-	4,903,370	4,931,239	-	4,931,239
Housing and economic development	4,827,271	-	4,827,271	5,280,713	-	5,280,713
Early childcare services	4,825,128	-	4,825,128	4,349,490	-	4,349,490
Youth services	4,456,729	-	4,456,729	4,160,014	-	4,160,014
School-age services	3,292,830	-	3,292,830	3,083,154	-	3,083,154
Workforce services	333,388	-	333,388	491,470	-	491,470
Total Program Services	<u>206,526,754</u>	<u>-</u>	<u>206,526,754</u>	<u>172,932,982</u>	<u>-</u>	<u>172,932,982</u>
Supporting Services						
Management and general	11,120,877	-	11,120,877	15,309,257	-	15,309,257
Fundraising	660,689	-	660,689	367,837	-	367,837
Total Supporting Services	<u>11,781,566</u>	<u>-</u>	<u>11,781,566</u>	<u>15,677,094</u>	<u>-</u>	<u>15,677,094</u>
Total Expenses	<u>218,308,320</u>	<u>-</u>	<u>218,308,320</u>	<u>188,610,076</u>	<u>-</u>	<u>188,610,076</u>
Change in Net Assets Before Impairment of Note Receivable and HRA Adjustments	6,949,659	40,293	6,989,952	5,100,379	(79,038)	5,021,341
Impairment of note receivable - Note 21	(21,446,256)	-	(21,446,256)	-	-	-
Refund due to HRA	(10,173)	-	(10,173)	-	-	-
Equity surplus due to HRA	-	-	-	1,363	-	1,363
Change in Net Assets	<u>(14,506,770)</u>	<u>40,293</u>	<u>(14,466,477)</u>	<u>5,101,742</u>	<u>(79,038)</u>	<u>5,022,704</u>
NET ASSETS						
Beginning of year, as restated - Note 19	<u>52,669,009</u>	<u>4,156,455</u>	<u>56,825,464</u>	<u>47,567,267</u>	<u>4,235,493</u>	<u>51,802,760</u>
End of year	<u>\$ 38,162,239</u>	<u>\$ 4,196,748</u>	<u>\$ 42,358,987</u>	<u>\$ 52,669,009</u>	<u>\$ 4,156,455</u>	<u>\$ 56,825,464</u>

See notes to the consolidated financial statements

Chinese-American Planning Council, Inc. and Affiliates

Consolidated Statement of Functional Expenses For the Year Ended June 30, 2019

	Program Services								Supporting Services			Total	
	Home Attendant Program	Community Services	Senior Citizens' Services	Housing and Economic Development	Early Childcare Services	Youth Services	School-Age Services	Workforce Services	Total	Management and General	Fundraising		Total
PERSONNEL COSTS													
Salaries	\$ 134,364,152	\$ 3,562,163	\$ 2,983,765	\$ 376,719	\$ 3,030,652	\$ 2,812,404	\$ 2,567,299	\$ 225,643	\$ 149,922,797	\$ 6,216,762	\$ 433,694	\$ 6,650,456	\$ 156,573,253
Fringe benefits	29,728,062	867,000	414,785	15,193	555,948	475,060	185,261	60,908	32,302,217	1,204,814	103,639	1,308,453	33,610,670
Payroll taxes	11,738,574	317,107	265,459	50,560	277,037	251,367	232,092	19,537	13,151,733	575,971	38,338	614,309	13,766,042
Total Personnel Costs	<u>175,830,788</u>	<u>4,746,270</u>	<u>3,664,009</u>	<u>442,472</u>	<u>3,863,637</u>	<u>3,538,831</u>	<u>2,984,652</u>	<u>306,088</u>	<u>195,376,747</u>	<u>7,997,547</u>	<u>575,671</u>	<u>8,573,218</u>	<u>203,949,965</u>
PROGRAM ACTIVITIES													
Food and food related supplies	-	61,007	907,295	7,612	366,719	69,039	32,957	570	1,445,199	-	-	-	1,445,199
Other program supplies	-	132,934	33,972	19,255	76,049	160,999	82,933	6,683	512,825	-	-	-	512,825
Physical/medical exams	549,050	-	-	-	-	-	-	-	549,050	-	-	-	549,050
Client contractual and other services	37,827	181,371	40,259	-	70,505	114,317	117,233	10,424	571,936	-	-	-	571,936
Participant expenses	-	-	-	-	-	9,224	-	-	9,224	-	-	-	9,224
Total Program Activities	<u>586,877</u>	<u>375,312</u>	<u>981,526</u>	<u>26,867</u>	<u>513,273</u>	<u>353,579</u>	<u>233,123</u>	<u>17,677</u>	<u>3,088,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,088,234</u>
PROFESSIONAL SERVICES													
Audit fees	-	-	-	23,800	-	-	-	-	23,800	106,263	-	106,263	130,063
Legal fees	-	-	-	17,509	-	-	-	-	17,509	111,492	-	111,492	129,001
Consultant fees	413,015	250	-	264,989	-	-	-	-	678,254	81,778	35,574	795,606	795,606
Management fees	-	-	-	-	-	-	-	-	-	201,666	-	201,666	201,666
Payroll/client billing preparation	650,991	-	-	18,000	21,208	-	18,738	-	708,937	356,041	-	356,041	1,064,978
Total Professional Services	<u>1,064,006</u>	<u>250</u>	<u>-</u>	<u>324,298</u>	<u>21,208</u>	<u>-</u>	<u>18,738</u>	<u>-</u>	<u>1,428,500</u>	<u>857,240</u>	<u>35,574</u>	<u>892,814</u>	<u>2,321,314</u>
OCCUPANCY COSTS													
Rent and real estate taxes	-	584,358	42,625	-	282,596	329,880	1,744	-	1,241,203	342,863	2,360	345,223	1,586,426
Utilities	-	34,992	1,563	518,785	36,644	24,395	367	-	616,746	16,508	-	16,508	633,254
Building maintenance and repairs	7,715	52,371	89,027	542,673	18,733	9,250	2,189	-	721,958	150,699	-	150,699	872,657
Property tax	-	-	-	432,436	-	-	-	-	432,436	113,721	-	113,721	546,157
Total Occupancy Costs	<u>7,715</u>	<u>671,721</u>	<u>133,215</u>	<u>1,493,894</u>	<u>337,973</u>	<u>363,525</u>	<u>4,300</u>	<u>-</u>	<u>3,012,343</u>	<u>623,791</u>	<u>2,360</u>	<u>626,151</u>	<u>3,638,494</u>
OTHER EXPENSES													
Supplies	54,023	17,806	48,577	33,993	34,016	441	-	-	188,856	24,387	-	24,387	213,243
Telephone	-	50,330	21,126	14,572	17,475	21,263	12,152	7,450	144,368	35,693	-	35,693	180,061
Internet maintenance	-	600	-	-	-	-	-	-	600	13,139	21,288	34,427	35,027
Insurance	-	-	-	137,427	-	-	6,707	-	144,134	939,257	-	939,257	1,083,391
Transportation/travel related	7,879	17,255	26,585	135	2,347	122,968	9,746	26	186,941	48,763	500	49,263	236,204
Equipment purchase/rental	52,053	51,471	5,990	1,239	11,797	33,551	9,500	2,038	167,639	30,766	8,513	39,279	206,918
Printing/postage/subscriptions	90,779	34,992	6,122	2,601	120	11,828	896	109	147,447	30,004	8,723	38,727	186,174
Promotion/public relations/advertising	73,555	70,621	15,491	-	800	9,043	-	-	169,510	50,497	350	50,847	220,357
Contribution/donation	-	-	-	-	-	-	-	-	-	500	-	500	500
Staff training/conferences	-	29,106	729	181	20,979	1,700	13,016	-	65,711	68,644	6,619	75,263	140,974
Memberships	15,332	4,800	-	-	-	-	-	-	20,132	10,285	-	10,285	30,417
Interest and loan fees	-	-	-	968,137	-	-	-	-	968,137	204,740	-	204,740	1,172,877
Interest - debt issuance costs	-	-	-	45,774	-	-	-	-	45,774	-	-	-	45,774
Depreciation and amortization	-	1,781	-	1,307,864	1,503	-	-	-	1,311,148	40,328	-	40,328	1,351,476
Bad debt expense	-	-	-	-	-	-	-	-	-	18,581	-	18,581	18,581
Miscellaneous	18,307	14,409	-	27,817	-	-	-	-	60,533	126,715	1,091	127,806	188,339
Total Other Expenses	<u>311,928</u>	<u>293,171</u>	<u>124,620</u>	<u>2,539,740</u>	<u>89,037</u>	<u>200,794</u>	<u>52,017</u>	<u>9,623</u>	<u>3,620,930</u>	<u>1,642,299</u>	<u>47,084</u>	<u>1,689,383</u>	<u>5,310,313</u>
Total Expenses	\$ 177,801,314	\$ 6,086,724	\$ 4,903,370	\$ 4,827,271	\$ 4,825,128	\$ 4,456,729	\$ 3,292,830	\$ 333,388	\$ 206,526,754	\$ 11,120,877	\$ 660,689	\$ 11,781,566	\$ 218,308,320

See notes to the consolidated financial statements

Chinese-American Planning Council, Inc. and Affiliates

**Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2018**

	Program Services								Supporting Services				
	Home Attendant Program	Community Services	Senior Citizens' Services	Housing and Economic Development	Early Childcare Services	Youth Services	School-Age Services	Workforce Services	Total	Management and General	Fundraising	Total	Total
PERSONNEL COSTS													
Salaries	\$ 108,731,595	\$ 3,407,071	\$ 2,851,259	\$ 319,254	\$ 2,690,301	\$ 2,656,980	\$ 2,525,070	\$ 311,676	\$ 123,493,206	\$ 4,948,645	\$ 252,926	\$ 5,201,571	\$ 128,694,777
Fringe benefits	24,581,420	687,622	316,176	9,685	412,616	332,182	46,356	109,361	26,495,418	1,045,587	41,962	1,087,549	27,582,967
Payroll taxes	9,711,122	303,725	253,391	40,705	243,687	237,573	230,471	26,549	11,047,223	417,817	23,011	440,828	11,488,051
Total Personnel Costs	<u>143,024,137</u>	<u>4,398,418</u>	<u>3,420,826</u>	<u>369,644</u>	<u>3,346,604</u>	<u>3,226,735</u>	<u>2,801,897</u>	<u>447,586</u>	<u>161,035,847</u>	<u>6,412,049</u>	<u>317,899</u>	<u>6,729,948</u>	<u>167,765,795</u>
PROGRAM ACTIVITIES													
Food and food related supplies	-	16,134	854,201	-	355,982	55,277	32,197	100	1,313,891	18,288	1,491	19,779	1,333,670
Other program supplies	-	48,563	98,644	-	84,727	133,182	59,551	6,557	431,224	-	-	-	431,224
Physical/medical exams	-	60,073	2,860	-	-	57,903	-	-	120,836	-	-	-	120,836
Client contractual and other services	-	-	-	-	-	-	-	-	-	1,739	-	1,739	1,739
Participant expenses	533,960	88,657	139,237	-	59,312	106,578	116,681	16,508	1,060,933	-	-	-	1,060,933
Total Program Activities	<u>533,960</u>	<u>213,427</u>	<u>1,094,942</u>	<u>-</u>	<u>500,021</u>	<u>352,940</u>	<u>208,429</u>	<u>23,165</u>	<u>2,926,884</u>	<u>20,027</u>	<u>1,491</u>	<u>21,518</u>	<u>2,948,402</u>
PROFESSIONAL SERVICES													
Audit fees	51,348	-	-	38,700	-	-	-	-	90,048	80,303	-	80,303	170,351
Legal fees	76,010	-	-	23,643	-	-	-	-	99,653	91,982	-	91,982	191,635
Consultant fees	2,494	23,250	-	208,964	1,725	-	-	-	236,433	51,580	22,646	74,226	310,659
Management fees	-	-	1,100	14,130	-	-	-	-	15,230	185,829	-	185,829	201,059
Payroll/client billing preparation	643,855	-	-	18,000	18,875	-	-	-	680,730	348,332	-	348,332	1,029,062
Total Professional Services	<u>773,707</u>	<u>23,250</u>	<u>1,100</u>	<u>303,437</u>	<u>20,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,122,094</u>	<u>758,026</u>	<u>22,646</u>	<u>780,672</u>	<u>1,902,766</u>
OCCUPANCY COSTS													
Rent and real estate taxes	-	559,607	65,949	-	278,334	323,109	2,000	-	1,228,999	388,540	480	389,020	1,618,019
Utilities	88,905	59,704	27,943	502,326	54,494	41,014	9,956	-	784,342	21,073	-	21,073	805,415
Building maintenance and repairs	11,592	62,231	170,904	455,139	51,359	25,395	28,092	-	804,712	235,260	-	235,260	1,039,972
Property tax	-	-	-	444,738	-	-	-	-	444,738	114,475	-	114,475	559,213
Total Occupancy Costs	<u>100,497</u>	<u>681,542</u>	<u>264,796</u>	<u>1,402,203</u>	<u>384,187</u>	<u>389,518</u>	<u>40,048</u>	<u>-</u>	<u>3,262,791</u>	<u>759,348</u>	<u>480</u>	<u>759,828</u>	<u>4,022,619</u>
OTHER EXPENSES													
Supplies	51,881	17,384	27,911	28,002	49,899	334	271	-	175,682	48,836	1,264	50,100	225,782
Telephone	-	46,522	17,052	11,023	16,198	17,873	10,761	7,259	126,688	32,530	-	32,530	159,218
Internet maintenance	-	9,891	-	-	-	-	-	-	9,891	11,816	8,750	20,566	30,457
Insurance	-	-	-	124,345	-	-	-	-	124,345	892,954	-	892,954	1,017,299
Transportation/travel related	10,286	24,938	26,076	-	4,353	112,813	5,862	1,120	185,448	29,970	-	29,970	215,418
Equipment purchase/rental	25,858	238,706	57,479	3,112	17,737	30,541	9,100	8,000	390,533	31,375	11,025	42,400	432,933
Printing/postage/subscriptions	87,890	49,527	5,866	887	-	21,477	-	520	166,167	11,372	402	11,774	177,941
Promotion/public relations/advertising	57,517	133,909	15,191	445	1,150	6,726	-	2,120	217,058	25,649	-	25,649	242,707
Contribution/donation	-	-	-	201,000	-	-	-	-	201,000	-	-	-	201,000
Staff training/conferences	-	28,713	-	25	6,950	185	6,786	1,700	44,359	3,954	3,785	7,739	52,098
Memberships	-	15,872	-	-	-	-	-	-	15,872	30,642	95	30,737	46,609
Interest and loan fees	-	-	-	1,342,815	-	-	-	-	1,342,815	152,995	-	152,995	1,495,810
Interest - debt issuance costs	-	-	-	45,774	-	-	-	-	45,774	-	-	-	45,774
Depreciation and amortization	-	1,400	-	1,404,345	1,791	-	-	-	1,407,536	33,707	-	33,707	1,441,243
Bad debt expense	-	-	-	-	-	-	-	-	-	4,000,000	-	4,000,000	4,000,000
Provision for disallowance	-	8,976	-	-	-	-	-	-	8,976	2,000,000	-	2,000,000	2,008,976
Miscellaneous	78,694	-	-	43,656	-	872	-	-	123,222	54,007	-	54,007	177,229
Total Other Expenses	<u>312,126</u>	<u>575,838</u>	<u>149,575</u>	<u>3,205,429</u>	<u>98,078</u>	<u>190,821</u>	<u>32,780</u>	<u>20,719</u>	<u>4,585,366</u>	<u>7,359,807</u>	<u>25,321</u>	<u>7,385,128</u>	<u>11,970,494</u>
Total Expenses	<u>\$ 144,744,427</u>	<u>\$ 5,892,475</u>	<u>\$ 4,931,239</u>	<u>\$ 5,280,713</u>	<u>\$ 4,349,490</u>	<u>\$ 4,160,014</u>	<u>\$ 3,083,154</u>	<u>\$ 491,470</u>	<u>\$ 172,932,982</u>	<u>\$ 15,309,257</u>	<u>\$ 367,837</u>	<u>\$ 15,677,094</u>	<u>\$ 188,610,076</u>

See notes to the consolidated financial statements

Chinese-American Planning Council, Inc. and Affiliates

Consolidated Statement of Cash Flows

	Year Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (14,466,477)	\$ 5,022,704
Adjustments to reconcile change in net assets to net cash from operating activities		
Impairment of note receivable	21,446,256	-
Bad debt expense	18,581	4,000,000
Depreciation and amortization	1,351,476	1,441,243
Amortization - debt issuance costs	45,774	45,774
Net realized and unrealized gain	(1,673)	-
Provision for disallowance	-	2,000,000
Change in operating assets and liabilities		
Grants and contracts receivable	(8,810,821)	(6,834,038)
Accounts receivable	(2,926,529)	1,812,425
Other receivables	(469,745)	(123,692)
Prepaid expenses and deposits	139,408	(130,421)
Custodial funds	13,638	(100,132)
Other security deposits	(4,320)	-
Accounts payable and accrued expenses	10,196,666	4,681,959
Deferred revenue	25,585	-
Refundable advances	(367,510)	(77,307)
Other current liabilities	107,954	2,142,789
Due to funding sources	(39,546)	(161,784)
Due to HRA	10,173	(901,626)
Net Cash From Operating Activities	6,268,890	12,817,894
CASH FLOWS FROM INVESTING ACTIVITIES		
(Additions) withdrawals from restricted cash and cash equivalents	(416,562)	3,918,703
Additions to restricted deposits	(85,084)	(245,011)
Net purchase of investments	(23,887)	(11,082)
Purchase of property and equipment	(516,773)	(388,408)
Net Cash From Investing Activities	(1,042,306)	3,274,202
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage borrowings	-	9,500,000
Repayment of loans	(422,106)	(8,961,990)
Borrowings (repayments) on lines of credit, net	(500,000)	993,312
Net Cash From Financing Activities	(922,106)	1,531,322
 Net Change in Cash and Cash Equivalents	4,304,478	17,623,418
CASH AND CASH EQUIVALENTS		
Beginning of year	32,743,665	15,120,247
End of year	\$ 37,048,143	\$ 32,743,665
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid for interest	\$ 1,172,877	\$ 1,111,434

See notes to the consolidated financial statements

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

1. Organization and Tax Status

Chinese-American Planning Council, Inc. ("CPC") is a not-for-profit corporation organized under the New York State ("NYS") not-for-profit corporation law. CPC's mission is to promote social and economic empowerment of Chinese American, immigrant and low-income communities.

In pursuit of its purpose, CPC, the Parent Organization, has organized and incorporated the following affiliates:

- **CPC Home Attendant Program Holdings, Inc. ("CPC-HAP HLDGS")**

CPC is the sole member of CPC-HAP HLDGS, which is the sole member of Chinese-American Planning Council Home Attendant Program, Inc. and provides board oversight. CPC-HAP HLDGS is a NYS not-for-profit corporation.

- **Chinese-American Planning Council Home Attendant Program, Inc. ("CPC-HAP")**

CPC-HAP is a not-for-profit NYS licensed home care service agency organized under the NYS not-for-profit corporation law. CPC-HAP provides comprehensive personal care services at the homes of individuals who are disabled and/or handicapped.

- **CPC One, LLC**

The primary purpose of CPC One, LLC is to own and operate a facility for central operations.

- **Chinatown Neighborhood Local Development Corporation ("LDC")**

The primary purpose of LDC was to provide advanced services, skill upgrades, and employment related resources to individuals who are motivated to advance their careers. This entity is no longer active and is in the process of being dissolved.

- **CPC Tenant and Building Services, Inc. ("CPC TBS")**

A NYS not-for-profit corporation, CPC TBS is the sole member of the following corporations that provide housing for CPC programs:

- **CPC Tribeca Center, Inc. ("CTCI")**

The primary purpose of CTCI is to improve the quality of life of the needy and economically disadvantaged Asian-Americans in New York City by providing access to services and resources with the goal of economic self-sufficiency and integration in the American mainstream. CTCI operates a facility at One York Street that accommodates CPC childcare services and the CPC-HAP home health care services programs.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

1. Organization and Tax Status *(continued)*

- **CPC Tenant and Building Services, Inc. ("CPC TBS") *(continued)***
 - **The Chinatown Planning Council Housing Development Fund Co., Inc. ("CPC-HDFC")**

The primary purpose of CPC-HDFC is to own and operate a 156-unit apartment building located at 50 Norfolk Street, New York, New York. The units are rented to senior citizens that qualify under the U.S. Department of Housing and Urban Development ("HUD"). HUD has contracted with CPC-HDFC under Section 8 of the HUD Housing Assistance Program to make housing assistance payments on behalf of qualified tenants. In addition, CPC-HDFC receives a partial assistance payment on vacant units for a vacancy period not to exceed 60 days. Each prospective tenant is required to receive HUD approval before acceptance as a qualified tenant.

- **Nan Shan Local Development Corp. ("NSLDC")**

The primary purpose of NSLDC is to own and operate a building (built by NSLDC) in Flushing, Queens to house CPC programs. CPC is the guarantor for the mortgage loan associated with this building.

- **16 Dutch Housing Development Fund Corp. ("16 Dutch")**

The primary purpose of 16 Dutch is to act as a non-profit entity with legal title to the condo unit to facilitate the sale of inclusionary air rights. The beneficial title of this property is held by Fulton and Dutch Limited Partnership and as such, it is responsible to record all assets, liabilities and operations of the condo. Therefore, the only asset of 16 Dutch is the current market value of a note receivable from Fulton and Dutch Limited Partnership.

All of the entities listed above are exempt from federal Income tax under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been recorded in these consolidated financial statements.

The "Company" will be used to encompass all entities above.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies

Principles of Consolidation

In preparing the accompanying consolidated financial statements, all material inter-company balances and transactions have been eliminated.

Basis of Presentation and Use of Estimates

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Change in Accounting Principle

On July 1, 2018, the Company adopted Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-For-Profit Entities*. This guidance requires the Company to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Company to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. As a result of implementing this standard, prior year amounts for unrestricted net assets were reclassified as net assets without donor restrictions and prior year amounts for temporarily restricted and permanently restricted net assets were combined and reclassified as net assets with donor restrictions.

Classification of Net Assets

Net assets of the Company are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Classification of Net Assets (continued)

Net Assets With Donor Restrictions – Amounts that are subject to usage limitations based on donor- imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Company. Certain restrictions may require the assets to be maintained in perpetuity.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances held in bank accounts and other highly liquid debt instruments with maturities of three months or less at the time of purchase that can be used for operating purposes.

Accounts Receivable, Grants and Contracts Receivable, Allowance for Doubtful Accounts, Contracted Sources, Government Grants and Contracts

CPC-HAP recognizes revenue for personal care services under several fee-for-service agreements with the City of New York as well as other Managed Care Organizations (“MCOs”). CPC-HAP records revenue and receivables from contracting agencies based on claims for expense reimbursements and program utilization at contracted rates. Receivables are stated net of an allowance for doubtful accounts, except as noted below for certain New York City Human Resources Administration contracts. Receivables are charged to the allowance when they are determined to be uncollectible based upon periodic review of the accounts by management. Interest is not accrued or recorded on outstanding accounts receivable. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments received subsequent to year end. At June 30, 2019 and 2018, the allowance for doubtful accounts due from MCOs amounted to \$5,213,853 and \$8,113,096. All other receivables are deemed collectible by management, except as noted below for certain New York City Human Resources Administration contracts.

CPC-HAP directly bills third party payors for the personal care services performed by its employees. In some instances, the recipients of personal care services pay a portion of the cost for such services.

MCO/Medicaid Long-Term Care ("MLTC") Plans

Effective August 1, 2011, some patients of personal care services became the responsibility of MCO's. Accordingly, CPC-HAP executed a contract with the MCO's for the provision of such services. Revenues generated from these contracted services totaled \$101,055,835 and \$89,821,806 for the years ended June 30, 2019 and 2018.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Accounts Receivable, Grants and Contracts Receivable, Allowance for Doubtful Accounts, Contracted Sources, Government Grants and Contracts (continued)

New York City Human Resources Administration Contracts

CPC-HAP entered into contracts with New York City Human Resources Administration (“HRA”) to provide personal care services to Medicaid-eligible disabled individuals, including those who are frail and elderly. Program revenue from such services rendered amounted to \$93,017,887 and \$71,274,924 for the years ended June 30, 2019 and 2018. Some recipients of personal care services are required, pursuant to CPC-HAP’s contract with HRA, to pay part of the cost of such services. Revenue generated (referred to as “client surplus income”) from such services rendered was \$276,593 and \$161,374 for the years ended June 30, 2019 and 2018.

Certain HRA receivables recorded in the consolidated statements of financial position relate to old HRA contracts that CPC-HAP does not deem to be collectible. Though deemed uncollectible, CPC-HAP reports these receivables at the gross amount in accordance with HRA standards. An allowance of \$5,990,663 related to these gross receivables is included in due to HRA in the consolidated statements of financial position at June 30, 2019 and 2018.

Government Grants

Government grants and contracts are recognized in amounts equal to expenses incurred in administering the related program. Upon termination, the unexpended cash funds received under the terms of the grant provisions revert to the grantor.

Receipts under certain government-funded fee-for-service contract programs, which have not been spent due to budget modifications, are available for application to future years’ renewal contracts and are therefore classified as deferred revenue.

Fair Value Measurement

The Company follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks of liquidity, or degree of difficulty in estimating the fair value of each investment’s underlying assets and liabilities.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Investment Valuation

Investments are carried at fair value.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the assets by the straight-line method for financial reporting as follows:

Building	19 - 40 years
Furniture, fixtures, equipment and vehicles	5 years
Leasehold improvements	40 years

The Company follows the policy of capitalizing all acquisitions in excess of \$5,000 and a useful life of 5 years or more, except CPC-HAP, which has a policy of capitalizing all acquisitions in excess of \$10,000 and a useful life of more than one year. Maintenance and repairs are charged to operations when incurred.

Items of furniture and equipment, where title is held by the granting agency, are expensed when purchased.

Impairment of Long-Lived Assets

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company records impairment losses on long lived assets used in operations when the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No impairment charges were recognized during the years ended June 30, 2019 and 2018.

Conditional Asset Retirement Obligations

The Company accounts for Conditional Asset Retirement Obligations ("CARO") in accordance with U.S. GAAP, which defines a conditional asset retirement obligation as a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Uncertainty with respect to the timing and/or method of settlement of the asset retirement obligation does not defer recognition of a liability. The fair value of the CARO is recorded on a discounted basis and accreted over time for the change in fair value. Management has determined that there are no CARO liabilities that are required to be recorded.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Debt Issuance Costs

Debt issuance costs are reported on the consolidated statements of financial position as a direct deduction from the face amount of the debt. The debt issuance costs are being amortized over the term of the debt on a method that approximates the effective interest rate method. The Company reflects amortization of debt issuance costs within interest expense.

Professional and Similar Liabilities

CPC-HAP discloses insurance claims and related recoveries on a gross basis and any estimated insurance recovery is reflected as a receivable on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. Professional and workers' compensation liability claims are covered through commercial insurance. At June 30, 2019 and 2018, the liability and related asset of approximately \$4,822,000 and \$4,326,000 related to these claims are not presented in these consolidated financial statements.

Equity Concept - Due to HRA

In accordance with HRA contract requirements amounts received for all personal care services in excess of the total expenses incurred by CPC-HAP are to be remitted to HRA. Therefore, CPC-HAP does not maintain any equity from its contract with HRA. Cumulative excess advances over expenses are recorded as due to HRA and include any adjustments made after HRA has completed its annual audit. In April 2017, CPC-HAP entered into an agreement with HRA, wherein CPC-HAP will retain all surplus income.

Operating Leases

Operating leases are classified in accordance with the terms of the underlying agreements. Operating lease payments are charged to rental expense. Deferred rent is recorded when there are material differences between the fixed payment and the rent expense as reported on the straight-line method based on the entire lease term. There was no deferred rent as of June 30, 2019 and 2018.

Contributions and Private Grants

Unconditional contributions and private grants, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are recorded as with donor restricted support if they are received with donor restrictions that limit the use of the donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified as without donor restricted net assets and reported in the consolidated statements of operations and change in net assets as net assets released from restrictions.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Rental Revenue

Rental revenue is recognized as rent becomes due. Rental payments received in advance are deferred until earned. All leases between CPC-HDFC and tenants of the property are operating leases of one to two years.

Vacation and Sick Time

In accordance with the rules set forth in the Company's personnel manual and other union regulations that supplant the rules of the personnel manual, as of June 30, 2019 and 2018, the Company has accrued \$325,159 and \$541,684 of vacation expense in the Company's consolidated financial statements as part of accounts payable and accrued expenses. There was no sick time to be accrued as of June 30, 2019 and 2018.

Functional Allocation of Expenses

The costs of providing the various programs of the Company have been summarized on a functional basis in the consolidated statements of operations and change in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocations are based on a conservative average of time spent on program services or supporting services. They are based on job duties, time spent working on those duties, or the nature of the expenses.

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of tax positions only when they are more likely than not to be sustained. Management has determined that the Company had no uncertain tax positions that would require financial statement recognition or disclosure. The Company is no longer subject to examinations by taxing jurisdictions for periods prior to June 30, 2016.

Advertising Costs

Advertising costs are expensed when incurred. Advertising expense for the years ended June 30, 2019 and 2018 was \$220,958 and \$242,707.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is November 25, 2019.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

3. Cash and Cash Equivalents

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

	<u>2019</u>	<u>2018</u>
Checking accounts	\$ 29,937,771	\$ 30,450,114
Money market accounts	4,048,012	284,751
Short-term certificate of deposit	3,056,360	2,000,000
Petty cash	6,000	8,800
Total	<u>\$ 37,048,143</u>	<u>\$ 32,743,665</u>

4. Restricted Cash and Cash Equivalents

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

	<u>2019</u>	<u>2018</u>
Checking accounts	\$ 9,384,598	\$ 8,979,235
Short-term certificates of deposit	3,047,180	3,035,981
Total	<u>\$ 12,431,778</u>	<u>\$ 12,015,216</u>

For the years ended June 30, 2019 and 2018, Home Attendant and Housekeeping contracts ("HA & HK") have restricted cash and cash equivalents of \$3,811,885 and \$3,715,655 and the Consumer Directed Personal Assistance Program ("CDPAP") has restricted cash and cash equivalents of \$8,619,893 and \$8,299,561.

5. Grants and Contracts Receivable

Grants and contracts receivable are as follows at June 30:

	<u>2019</u>	<u>2018</u>
Government grants	\$ 22,502,611	\$ 13,473,843
Private foundations	241,733	459,680
Total	<u>\$ 22,744,344</u>	<u>\$ 13,933,523</u>

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

6. Accounts Receivable

Accounts receivable are as follows at June 30:

	<u>2019</u>	<u>2018</u>
Receivables for services provided	\$ 16,084,516	\$ 16,075,812
Allowance for doubtful accounts	<u>(5,213,853)</u>	<u>(8,113,096)</u>
Total	<u>\$ 10,870,663</u>	<u>\$ 7,962,716</u>

7. Prepaid Expenses and Deposits

The balances consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Prepaid expenses	\$ 531,587	\$ 440,314
Deposits	<u>-</u>	<u>230,681</u>
Total	<u>\$ 531,587</u>	<u>\$ 670,995</u>

8. Investments

The following are major categories of investments measured at fair value (or cost) categorized by the fair value hierarchy as of June 30:

	<u>2019</u>	<u>2018</u>
Money market, at cost	\$ 1,175,672	\$ 509,029
Bonds (Level 2)	<u>-</u>	<u>641,083</u>
Total	<u>\$ 1,175,672</u>	<u>\$ 1,150,112</u>

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

9. Custodial Funds

Certain programs of the Company formed advisory committees to fund-raise, and disbursements from these funds must be authorized by their respective advisory committee. The Company's role is to oversee that the disbursements are in accordance with the by-laws.

The balances related to the custodial funds' activities, which are included in the accompanying consolidated financial statements are as follows, as of June 30:

	2019	2018
Cash and cash equivalents	\$ 1,351,049	\$ 1,588,689
Investments	2,442,636	2,233,358
Memorial plots	47,254	32,250
Total	\$ 3,840,939	\$ 3,854,577

10. Property and Equipment

Property and equipment, net consists of the following at June 30:

	2019	2018
Land	\$ 1,428,183	\$ 1,428,183
Construction in progress	421,193	99,815
Total Non-Depreciable Assets	1,849,376	1,527,998
Depreciable Assets		
Building	44,211,970	44,487,210
Leasehold improvements	444,435	201,650
Equipment	422,516	522,554
Furniture and fixtures	953,547	772,147
Vehicles	146,488	-
Total Depreciable Assets	46,178,956	45,983,561
Accumulated depreciation and amortization	(16,795,219)	(15,443,743)
Net depreciable assets	29,383,737	30,539,818
Total	\$ 31,233,113	\$ 32,067,816

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

11. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are as follows at June 30:

	<u>2019</u>	<u>2018</u>
Vendor payables	\$ 3,436,523	\$ 2,417,822
Payroll and related taxes	25,252,952	14,619,169
Other	<u>278,772</u>	<u>1,734,590</u>
Total	<u>\$ 28,968,247</u>	<u>\$ 18,771,581</u>

12. Pension Plans

Defined Contribution Plan

CPC-HAP has a defined contribution pension plan ("Plan") for its non-union personal assistants working under CDPAP. Employees become eligible to contribute to the Plan upon completion of the first year of employment. Each year, CPC-HAP decides whether or not it will make a contribution to the Plan. The amount of the contribution is also determined by CPC-HAP. CPC-HAP has no obligation or requirement to make any contributions to the Plan. The employer contributions are fully vested. Total pension expense amounted to \$691,352 and \$625,865 for the years ended June 30, 2019 and 2018.

401 (a) Profit Sharing Plan

CPC-HAP has a 401(a) profit sharing plan for its eligible administrative staff. Employees are eligible to contribute to the plan upon completion of the first year of employment. Eligible employees are not required to contribute to the plan. The Board of Directors determines the amount of contribution (if any) that will be made for all eligible participants each plan year.

For the years ended June 30, 2019 and 2018, CPC-HAP contributed \$181,294 and \$163,808, which represents contributions of 6% of eligible employees' salary to the plan.

401(a) Thrift Plan

CPC-HAP also has a 401(a) Thrift Plan to which employees become eligible to contribute to the plan upon employment. CPC-HAP does not contribute to the plan. Participating employees may contribute any amount up to the maximum IRS annual contribution limits. Total amounts held in the plan are fully and immediately vested.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

12. Pension Plans (continued)

Union Plan

All home attendant employees of CPC-HAP that are union members are covered by an employer contributory pension plan administered by the union. CPC-HAP contributes to the 1199 SEIU Home Care Employees Union Pension Fund multiemployer defined benefit pension plan (“Union Plan”). Union pension expense for the years ended June 30, 2019 and 2018 was \$797,710 and \$826,490 and did not represent more than 5% of total contributions to the Union Plan. The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If an employer chooses to stop participating in any of its multiemployer plans, the employer may be required to contribute into those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

As of the date the consolidated financial statements were available to be issued, Form 5500 was available for the plan year ended December 31, 2018, but did not include 2018 plan information. However, the plan’s actuaries have certified that the plan is not endangered, seriously endangered or critical, as those terms are defined in the Pension Protection Act of 2006 for the plan years beginning January 1, 2019 and 2018. As of January 1, 2019 and 2018, the Plan PPA Zone status is Green.

CPC-HAP’s participation in the Union Plan for the years ended June 30, 2019 and 2018 is outlined in the table below.

Pension Fund	Employer Identification Number	Plan Number	Pension Protection Act Zone Status	
			2019	2018
1199 SEIU Home Care Employees Pension Fund	13-3943904	001	Green as of 1/1/2019	Green as of 1/1/2018
Funding Improvement Plan/Rehabilitation Plan	Contributions		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
	2019	2018		
Not in endangered or critical status	\$ 797,710	\$ 826,490	No	3/31/2017

As of June 30, 2019 and 2018, CPC-HAP is in the process of negotiating the extension of the collective bargaining agreement with union members.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

13. Lines of Credit

Lines of credit are as follows as of June 30, 2019 and 2018:

CPC has a line of credit of \$3,000,000 which bears interest at a rate of 5.5% per annum. The line of credit expires annually and is renewable on a yearly basis. CPC's credit agreement contains various restrictive covenants including minimum tangible/net worth. CPC's line of credit balance as of June 30, 2019 and 2018 was \$2,500,000 and \$3,000,000.

CPC-HAP has four separate notes which were prepared in the amounts of \$8,900,000, \$2,000,000, \$350,000 and \$250,000, for a total line of credit of \$11,500,000. CPC-HAP's line of credit bears interest at prime (3.5%) plus 1%. CPC-HAP's line of credit has no balance as of June 30, 2019 and 2018 and was closed during August 2019.

All borrowings under the lines of credit for CPC and CPC-HAP are collateralized by substantially all assets of CPC and CPC-HAP. Interest expense for CPC's line of credit for the years ended June 30, 2019 and 2018 was \$204,730 and \$152,995.

14. Due to Funding Sources and New York City HRA

	<u>2019</u>	<u>2018</u>
Due to HRA	\$ 18,271,563	\$ 18,261,390
Due to other funding sources	-	39,546
Total	<u>\$ 18,271,563</u>	<u>\$ 18,300,936</u>

15. Mortgages Payable

	<u>Terms</u>	<u>Annual Rate</u>	<u>Monthly Payment</u>	<u>Cash Interest Expense</u>	<u>Balance</u>	
One York Street	10 yrs.	3.83%	\$ 26,054	\$ 141,787	\$ 3,606,484	(a)
50 Northfolk Street	10 yrs.	4.11%	44,991	358,407	8,501,549	(b)
133-12 41st Avenue	10 yrs.	4.88%	50,668	466,396	9,358,365	(c)
					<u>21,466,398</u>	
					(228,875)	
					<u>\$ 21,237,523</u>	
						Unamortized debt issuance cost

(a) On January 16, 2009, CTCI obtained a mortgage loan from a bank in the amount of \$5,025,000 to finance the purchase of the property located at One York Street. As of June 30, 2019, the outstanding principal was \$3,606,484. The loan is collateralized by the land and building. Subsequent to year end, this loan has matured and is currently being renegotiated for the principal stated above.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

15. Mortgages Payable (continued)

(b) On August 26, 2014, CPC-HDFC refinanced its outstanding mortgage with a \$9,300,000 Freddie Mac Loan from a financial institution. The loan requires monthly principal and interest payments of \$73,413. Proceeds of the loan were used to pay the existing HUD mortgage and other outstanding obligations, as well as to fund building improvements. The loan matures in September 2024.

(c) In April 2018, NSLDC obtained a mortgage in the amount of \$9,500,000. The term of the loan is 10 years and is amortized over 30 years. Principal and interest are due monthly with a balloon payment at maturity. Interest is 4.875% for the first five years and Wall Street Journal Daily Prime Rate plus 0.25% thereafter. The loan is collateralized by the land and the building.

The future scheduled maturities of loans payable are as follows:

	<u>Amount</u>	
2020	\$ 3,942,479	
2021	353,698	
2022	369,987	
2023	387,032	
2024	393,009	
Thereafter	<u>16,020,193</u>	
Total	21,466,398	
Less current portion	<u>3,942,479</u>	
	<u>\$ 17,523,919</u>	
	<u>2019</u>	<u>2018</u>
Mortgage payable - current portion	\$ 3,942,479	\$ 4,035,558
Mortgage payable - long term portion	<u>17,295,044</u>	<u>17,578,297</u>
Total	<u>\$ 21,237,523</u>	<u>\$ 21,613,855</u>

Debt issuance costs incurred to obtain financing by CPC-HDFC have been capitalized and are being amortized as follows at June 30:

		<u>2019</u>	<u>2018</u>
Application fees	10 years	\$ 16,516	\$ 16,516
Legal fees	10 years	32,500	32,500
Origination fees	10 years	46,500	46,500
Refinancing cost	10 years	20,000	20,000
Consulting fees	10 years	150,000	150,000
Pre-development cost	10 years	155,722	155,722
Miscellaneous	10 years	36,508	36,508
Accumulated amortization	10 years	<u>(228,871)</u>	<u>(183,097)</u>
Unamortized Debt Issuance Cost		<u>\$ 228,875</u>	<u>\$ 274,649</u>

Amortization expense charged to interest was \$45,774 for 2019 and 2018.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

15. Mortgages Payable (continued)

Amortization of debt issuance costs in the next five years are as follows:

2020	\$ 45,774
2021	45,774
2022	45,774
2023	45,774
2024	45,779
	<u>\$ 228,875</u>

16. Commitment and Contingencies

Leases

CPC leases office space at 150 Elizabeth Street, New York, New York under a verbal month-to-month agreement. It was agreed that the lessor and lessee will give three month advance notice regarding any anticipated changes to the agreement. Rent expense for the year ended June 30, 2019 and 2018 amounted to \$336,085 and \$328,500.

CPC operates day care centers in different locations in New York City and entered into multiple operating lease agreements that expire at various dates through June 2023. Rent expense for the year ended June 30, 2019 and 2018 amounted to \$588,300 and \$1,289,508.

As of June 30, 2019, minimum annual rental commitments for the remaining terms of CPC's operating leases were as follows:

2020	\$ 1,507,230
2021	1,269,372
2022	724,950
2023	302,063
	<u>\$ 3,803,615</u>

Contingent Liabilities

The Company is a party to legal proceedings incidental to their activities. Certain claims, lawsuits and complaints arising in the ordinary course of business have been filed or are pending against the Company. In the opinion of management and corporate legal counsel, based upon current facts and circumstances, the resolution of these matters should not have material adverse effects on the consolidated financial statements. Therefore, no provision has been made in these consolidated financial statements.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

16. Commitment and Contingencies (*continued*)

Contingent Liabilities (*continued*)

Grants and revenues from services rendered are subject to audit by government agencies. In the past, the Company has been audited by the New York City Department of Youth and Community Development ("NYC DYCD") as well as the New York City Administration for Children's Services ("NYC-ACS"). Until such audits are completed and final settlements reached, there exists a contingency to refund any amount in excess of allowable or unallowable costs. Management is of the opinion that no material liability would result from such audits.

Self-Insurance Reserves

CPC provides coverage for medical insurance benefits for its employees. CPC is self-insured regarding its medical insurance coverage, (with reinsurance for each eligible claim). To assist with administering the self-insured medical plan, CPC uses a third party.

CPC is fully liable for all financial and legal aspects of its self-insured employee medical plan. To protect itself against this unfunded financial liability, stop-loss insurance is purchased, under which the excess portion of claims that are above the agreed limit (stop-loss) would become the responsibility of the reinsurer.

HRA Audits

HRA revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by HRA as a result of such an audit, any claim for reimbursement by the grantor agencies would become a liability of CPC-HAP.

Reserve for Disallowance

Management established a reserve for potential disallowances as a result of audits conducted by HRA. As of June 30, 2019 and 2018, HRA completed fiscal audits through fiscal year ended June 30, 2013. The reserve for disallowance is \$7,687,398 as of June 30, 2019 and 2018.

HUD Commitment

CPC-HDFC's primary asset is a 156-unit apartment building. Its operations are concentrated in the multi-family real estate market. In addition, it operates in a heavily regulated environment. The operations of CPC-HDFC are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with a change.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

17. Net Assets

Board Designated Net Assets

In 2007, the CPC Board designated \$600,000 received for early termination of a lease related to the Community Service Program for the costs to be incurred in leasing and renovating a new property for the Community Service Program, as well as to provide for incremental rent expenses. As of June 30, 2019 and 2018, the balance of this board designated net asset was \$207,418 and \$207,660. These amounts are included in net assets without donor restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of endowment funds.

The Company's endowment funds consist of three individual funds established for a variety of purposes and are reported as perpetual in nature. As required by U.S. GAAP, net assets associated with endowment funds are classified and based on the existence or absence of donor-imposed restrictions.

The Company has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds in the absence of explicit donor stipulations to the contrary. As a result of this interpretation, the Company classifies as net assets with donor restrictions that are perpetual in nature (a) the original value of gift donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature, including accumulated investment earnings, is classified as with donor restricted net assets until those amounts are appropriated for expenditure by the Company in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Company considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Company and (7) the Company's investment policies.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

17. Net Assets (continued)

Investment Return Objectives, Risk Parameters and Strategies

The Company has adopted an investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which could include equity and debt securities that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions that satisfy the intent of the donor while growing the funds, if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Company expends income and appreciation on the fund on a total return basis in accordance with standards applicable under the New York State Not-for-Profit Corporation Law and NYPMIFA at a percentage of total return deemed prudent by the board while meeting the intent of the donor. In establishing this policy, the Company considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Company expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 5% annually. This is consistent with the Company's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

The composition of and changes in donor-restricted endowment net assets as of June 30, 2019 are as follows:

	With Donor Restrictions		2019 Total	With Donor Restrictions		2018 Total
	Temporary in Nature	Perpetual in Nature		Temporary in Nature	Perpetual in Nature	
Endowment net assets, beginning of year	\$ 3,716,032	\$440,423	\$ 4,156,455	\$ 3,795,070	\$ 440,423	\$ 4,235,493
Contributions and private grants	103,071	-	103,071	91,431	-	91,431
Interest and dividends	14,305	-	14,305	12,535	-	12,535
Other public support	75,269	-	75,269	124,333	-	124,333
Released from restriction	(152,352)	-	(152,352)	(307,337)	-	(307,337)
Endowment net assets, end of year	\$ 3,756,325	\$440,423	\$ 4,196,748	\$ 3,716,032	\$ 440,423	\$ 4,156,455

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

17. Net Assets (continued)

Spending Policy (continued)

Activity for net assets with donor restriction that are temporary in nature, consisted of the following:

	Balance June 30, 2018	Additions	Releases	Balance June 30, 2019
Open Door Senior Center	\$ 2,994,386	\$ 96,599	\$ (42,764)	\$ 3,048,221
Nan Shan Senior Center	656,099	87,219	(84,246)	659,072
China Town Senior Center	65,547	8,827	(25,342)	49,032
	<u>\$ 3,716,032</u>	<u>\$ 192,645</u>	<u>\$ (152,352)</u>	<u>\$ 3,756,325</u>

	Balance June 30, 2017	Additions	Releases	Balance June 30, 2018
Open Door Senior Center	\$ 2,960,624	\$ 113,265	\$ (79,503)	\$ 2,994,386
Nan Shan Senior Center	745,423	103,391	(192,715)	656,099
China Town Senior Center	89,023	11,643	(35,119)	65,547
	<u>\$ 3,795,070</u>	<u>\$ 228,299</u>	<u>\$ (307,337)</u>	<u>\$ 3,716,032</u>

18. Housing Assistance Payments

CPC-HDFC entered into an agreement with HUD whereby HUD agreed to subsidize the tenants' rents on all units, such that the tenants' portion of the rent does not exceed 30% of their income.

HUD has regulations that govern the continuance of project-based subsidies. Under the new regulations, the owner with housing assistance payments contracts expiring after September 30, 1998 may elect to (1) renew the contract without restructuring for one year; (2) opt out of the contract; or (3) enter into the mark-up-to-market program, which includes a potential restructuring of the mortgage and renewal of the contract.

By mutual agreement, CPC-HDFC and the contract administrator have terminated the renewal contract in effect from December 3, 2012 to December 2, 2017. A new 20-year contract, effective August 26, 2014 to August 25, 2034, has been signed and automatically renews for an additional 2 year period beginning on August 26, 2034 subject to all applicable laws and regulations in effect upon expiration.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

19. Restatement of Prior Year Without Donor Restricted Net Assets

Changes to the July 1, 2017 without donor restricted net assets for 16 Dutch, consist of the following:

Without donor restricted net assets at July 1, 2017, as previously reported	\$ 23,016,939
Adjustments to Net Assets	
Restatement of equity surplus HRA (a)	2,631,072
Inclusion of restated 16 Dutch (b)	<u>21,919,256</u>
	<u>\$ 47,567,267</u>

- (a) In April 2017, HRA issued new contracts to CPC-HAP referred to as HRA Program 727 (“HRA 727”) and HRA Program 927 (“HRA 927”) and terminated prior contracts including Home Attendant and Housekeeping (“HA & HK”). From April 2017 to June 2017, HRA 727 and HRA 927 generated revenue of \$13,140,735 and expenses of \$10,509,663. The surplus income of \$2,631,072 was previously recorded as an increase to the amount due to HRA and a reduction to net assets without donor restrictions for the year ended June 30, 2017. Effective April 1, 2017 a new contract with HRA allows that excess of revenue over expenses from home care contracts can be retained by CPC-HAP. Therefore, the transaction above has been reversed as part of the restatement. As a result, net assets without donor restrictions at June 30, 2017 were restated and increased \$2,631,072 related to the surplus income from HRA 727 and HRA 927 for the period April 2017 to June 2017.
- (b) This restatement was recorded to include 16 Dutch, a subsidiary of CPC, in the consolidated financial statements as it was not previously included. For the year ended June 30, 2018, the Company inadvertently included 110 Fulton, an entity that should not have been in the consolidated financial statements. Subsequently, the amounts were removed from prior year balances and an adjustment was made to the beginning net assets without donor restrictions. In addition, approximately \$22,000,000 of property, plant and equipment was reclassified to notes receivable.

20. Concentrations

Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and receivables. At times, the Company has cash balances at major financial institutions in excess of Federal Deposit Insurance Corporation's insurance limits. At June 30, 2019 and 2018, the uninsured portions of these balances were \$47,864,782 and \$43,864,718. Receivables are expected to be collected in the normal course of operations. The investment portfolio consists of bonds and money market funds.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

20. Concentrations (*continued*)

CPC-HAP provides program services that are covered by agreements with HRA and MCO's. Gross receivables from these organizations totaled \$34,196,860 and \$25,874,562 as of June 30, 2019 and 2018. The percentages of these receivables are as follows:

	<u>2019</u>	<u>2018</u>
HRA	54%	40%
Client surplus from HRA	7%	8%
MCO	39%	52%
	<u>100%</u>	<u>100%</u>

With the exception of old HRA contracts discussed in Note 2 and any other amounts reserved, these receivables are expected to be collected in the normal course of operations.

Revenue Concentration

CPC-HAP derives nearly all of its revenue from contractual arrangements with HRA and MCO's. HRA revenue is subject to audit and possible adjustments. Management has established a reserve for disallowances to satisfy potential recoveries by HRA as a result of future audits.

CPC receives a substantial portion of its revenue from the U.S. Department of Health and Human Services, passed through from the New York City Administration for Children's Services, the New York City Department for the Aging, as well as from the U.S. Department of Labor, passed through from the New York City DYCD. If, for any reason these grantors discontinue funding, there is a risk that the Company will not be able to continue operations and provide the services that it currently does.

21. Impairment of Note Receivable

During 2019, 16 Dutch determined that the value of its note receivable had been impaired and was adjusted accordingly. The balance of the note receivable as of June 30, 2018 was \$21,919,256. As of June 30, 2019, the value of note receivable was adjusted to a net realizable value of \$473,000.

Chinese-American Planning Council, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2019 and 2018

22. Liquidity and Availability

The Company's financial assets available within one year of the statement of financial position date for general expenditures are as follows at June 30, 2019:

Cash and cash equivalents	\$ 37,048,143
Grants and contracts receivable	22,774,344
Accounts receivable, net	10,870,663
Other receivables	1,380,215
Investments	<u>1,175,672</u>
	73,249,037
Less:	
Allowance recorded in due to HRA (Note 2)	5,990,663
Net assets with donor restrictions	<u>4,196,748</u>
 Total Financial Assets Available Within One Year	 <u>\$ 63,061,626</u>

As part of the Company's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Company invests cash in excess of daily requirements in certificate of deposits.

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**Chinese-American Planning Council, Inc. and
Affiliates**

Supplementary Information

June 30, 2019 and 2018

Chinese-American Planning Council, Inc. and Affiliates

**Consolidating Statement of Financial Position
June 30, 2019**

	CPC	CPC-HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	Total	Eliminations	Consolidated
ASSETS										
Current Assets										
Cash and cash equivalents	\$ 3,429,124	\$ 31,904,132	\$ 408,620	\$ 374,764	\$ 881,179	\$ -	\$ 50,324	\$ 37,048,143	\$ -	\$ 37,048,143
Grants and contracts receivable	4,290,080	18,444,722	-	9,542	-	-	-	22,744,344	-	22,744,344
Accounts receivable, net	257,306	10,567,522	39,789	6,046	-	-	-	10,870,663	-	10,870,663
Other receivables	1,024,425	345,748	-	10,042	-	-	-	1,380,215	-	1,380,215
Prepaid expenses and deposits	277,634	-	20,059	221,334	6,190	-	6,370	531,587	-	531,587
Investments	1,175,672	-	-	-	-	-	-	1,175,672	-	1,175,672
Tenants' security deposits	-	-	-	41,570	-	-	-	41,570	-	41,570
Custodial funds	3,840,939	-	-	-	-	-	-	3,840,939	-	3,840,939
Total Current Assets	<u>14,295,180</u>	<u>61,262,124</u>	<u>468,468</u>	<u>663,298</u>	<u>887,369</u>	<u>-</u>	<u>56,694</u>	<u>77,633,133</u>	<u>-</u>	<u>77,633,133</u>
Non-Current Assets										
Restricted cash and cash equivalents	-	12,431,778	-	-	-	-	-	12,431,778	-	12,431,778
Other security deposits	-	-	3,515	-	805	-	-	4,320	-	4,320
Notes receivable	-	-	-	-	-	473,000	-	473,000	-	473,000
Restricted deposits	-	-	-	762,032	-	-	-	762,032	-	762,032
Due from related parties	9,651,270	1,617,918	470,189	-	437,595	-	653	12,177,625	(12,177,625)	-
Property and equipment, net	120,383	-	21,811,374	3,973,383	5,327,973	-	-	31,233,113	-	31,233,113
Total Non-Current Assets	<u>9,771,653</u>	<u>14,049,696</u>	<u>22,285,078</u>	<u>4,735,415</u>	<u>5,766,373</u>	<u>473,000</u>	<u>653</u>	<u>57,081,868</u>	<u>(12,177,625)</u>	<u>44,904,243</u>
	<u>\$ 24,066,833</u>	<u>\$ 75,311,820</u>	<u>\$ 22,753,546</u>	<u>\$ 5,398,713</u>	<u>\$ 6,653,742</u>	<u>\$ 473,000</u>	<u>\$ 57,347</u>	<u>\$ 134,715,001</u>	<u>\$ (12,177,625)</u>	<u>\$ 122,537,376</u>
LIABILITIES AND NET ASSETS										
Current Liabilities										
Accounts payable and accrued expenses	\$ 1,783,472	\$ 26,746,460	\$ 30,931	\$ 359,663	\$ 75,780	\$ -	\$ -	\$ 28,996,306	\$ (28,059)	\$ 28,968,247
Refundable advances	25,000	-	-	-	-	-	-	25,000	-	25,000
Deferred revenue	24,561	-	-	1,024	-	-	-	25,585	-	25,585
Other current liabilities	873,616	545,664	-	2,223	-	-	-	1,421,503	-	1,421,503
Lines of credit	2,500,000	-	-	-	-	-	-	2,500,000	-	2,500,000
Tenants' security deposits payable	-	-	-	41,570	-	-	-	41,570	-	41,570
Mortgage payable - current portion	-	-	147,762	188,233	3,606,484	-	-	3,942,479	-	3,942,479
Due to related party	-	588,038	-	-	-	-	-	588,038	(588,038)	-
Total Current Liabilities	<u>5,206,649</u>	<u>27,880,162</u>	<u>178,693</u>	<u>592,713</u>	<u>3,682,264</u>	<u>-</u>	<u>-</u>	<u>37,540,481</u>	<u>(616,097)</u>	<u>36,924,384</u>
Non-Current Liabilities										
Due to New York City Human Resources										
Administration ("HRA")	-	18,271,563	-	-	-	-	-	18,271,563	-	18,271,563
Due to related parties	-	-	11,561,528	-	-	-	-	11,561,528	(11,561,528)	-
Mortgages payable, non-current, net	-	-	9,210,603	8,084,441	-	-	-	17,295,044	-	17,295,044
Reserve for disallowance	-	7,687,398	-	-	-	-	-	7,687,398	-	7,687,398
Total Non-Current Liabilities	<u>-</u>	<u>25,958,961</u>	<u>20,772,131</u>	<u>8,084,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,815,533</u>	<u>(11,561,528)</u>	<u>43,254,005</u>
Total Liabilities	<u>5,206,649</u>	<u>53,839,123</u>	<u>20,950,824</u>	<u>8,677,154</u>	<u>3,682,264</u>	<u>-</u>	<u>-</u>	<u>92,356,014</u>	<u>(12,177,625)</u>	<u>80,178,389</u>
Net Assets										
Without donor restrictions	14,663,436	21,472,697	1,802,722	(3,278,441)	2,971,478	473,000	57,347	38,162,239	-	38,162,239
With donor restrictions	4,196,748	-	-	-	-	-	-	4,196,748	-	4,196,748
Total Net Assets	<u>18,860,184</u>	<u>21,472,697</u>	<u>1,802,722</u>	<u>(3,278,441)</u>	<u>2,971,478</u>	<u>473,000</u>	<u>57,347</u>	<u>42,358,987</u>	<u>-</u>	<u>42,358,987</u>
	<u>\$ 24,066,833</u>	<u>\$ 75,311,820</u>	<u>\$ 22,753,546</u>	<u>\$ 5,398,713</u>	<u>\$ 6,653,742</u>	<u>\$ 473,000</u>	<u>\$ 57,347</u>	<u>\$ 134,715,001</u>	<u>\$ (12,177,625)</u>	<u>\$ 122,537,376</u>

See independent auditors' report

Chinese-American Planning Council, Inc. and Affiliates

**Consolidating Schedule of Financial Position
June 30, 2018**

	CPC	CPC-HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	Total	Eliminations	Consolidated
ASSETS										
Current Assets										
Cash and cash equivalents	\$ 1,771,652	\$ 29,607,227	\$ 490,080	\$ 401,668	\$ 422,714	\$ -	\$ 50,324	\$ 32,743,665	\$ -	\$ 32,743,665
Grants and contracts receivable	3,760,759	10,166,407	-	6,357	-	-	-	13,933,523	-	13,933,523
Accounts receivable, net	190,274	7,595,059	160,614	4,291	12,478	-	-	7,962,716	-	7,962,716
Other receivables	564,242	336,310	-	9,917	-	-	-	910,469	-	910,469
Prepaid expenses and deposits	331,559	20,286	21,671	210,282	80,174	-	7,023	670,995	-	670,995
Investments	1,150,112	-	-	-	-	-	-	1,150,112	-	1,150,112
Tenants' security deposits	-	-	-	40,954	-	-	-	40,954	-	40,954
Custodial funds	3,854,577	-	-	-	-	-	-	3,854,577	-	3,854,577
Total Current Assets	<u>11,623,175</u>	<u>47,725,289</u>	<u>672,365</u>	<u>673,469</u>	<u>515,366</u>	<u>-</u>	<u>57,347</u>	<u>61,267,011</u>	<u>-</u>	<u>61,267,011</u>
Non-Current Assets										
Restricted cash and cash equivalents	-	12,015,216	-	-	-	-	-	12,015,216	-	12,015,216
Notes receivable	-	-	-	-	-	21,919,256	-	21,919,256	-	21,919,256
Restricted deposits	-	-	-	676,948	-	-	-	676,948	-	676,948
Due from related parties	11,085,048	1,578,012	-	-	452,107	-	-	13,115,167	(13,115,167)	-
Property and equipment, net	123,718	-	22,454,912	4,033,407	5,455,779	-	-	32,067,816	-	32,067,816
Total Non-Current Assets	<u>11,208,766</u>	<u>13,593,228</u>	<u>22,454,912</u>	<u>4,710,355</u>	<u>5,907,886</u>	<u>21,919,256</u>	<u>-</u>	<u>79,794,403</u>	<u>(13,115,167)</u>	<u>66,679,236</u>
	<u>\$ 22,831,941</u>	<u>\$ 61,318,517</u>	<u>\$ 23,127,277</u>	<u>\$ 5,383,824</u>	<u>\$ 6,423,252</u>	<u>\$ 21,919,256</u>	<u>\$ 57,347</u>	<u>\$ 141,061,414</u>	<u>\$ (13,115,167)</u>	<u>\$ 127,946,247</u>
LIABILITIES AND NET ASSETS										
Current Liabilities										
Accounts payable and accrued expenses	\$ 1,317,193	\$ 17,211,092	\$ 24,949	\$ 191,767	\$ 26,580	\$ -	\$ -	\$ 18,771,581	\$ -	\$ 18,771,581
Refundable advances	392,355	-	-	155	-	-	-	392,510	-	392,510
Other current liabilities	819,060	493,987	-	502	-	-	-	1,313,549	-	1,313,549
Lines of credit	3,000,000	-	-	-	-	-	-	3,000,000	-	3,000,000
Due to funding sources	39,546	-	-	-	-	-	-	39,546	-	39,546
Tenants' security deposits payable	-	-	-	40,954	-	-	-	40,954	-	40,954
Mortgage payable - current portion	-	-	141,859	188,233	3,705,466	-	-	4,035,558	-	4,035,558
Due to related party	-	1,767,865	-	-	-	-	-	1,767,865	(1,767,865)	-
Total Current Liabilities	<u>5,568,154</u>	<u>19,472,944</u>	<u>166,808</u>	<u>421,611</u>	<u>3,732,046</u>	<u>-</u>	<u>-</u>	<u>29,361,563</u>	<u>(1,767,865)</u>	<u>27,593,698</u>
Non-Current Liabilities										
Due to New York City Human Resources Administration ("HRA")	-	18,261,390	-	-	-	-	-	18,261,390	-	18,261,390
Due to related parties	-	-	11,347,302	-	-	-	-	11,347,302	(11,347,302)	-
Mortgages payable, non-current, net	-	-	9,358,141	8,220,156	-	-	-	17,578,297	-	17,578,297
Reserve for disallowance	-	7,687,398	-	-	-	-	-	7,687,398	-	7,687,398
Total Non-Current Liabilities	<u>-</u>	<u>25,948,788</u>	<u>20,705,443</u>	<u>8,220,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,874,387</u>	<u>(11,347,302)</u>	<u>43,527,085</u>
Total Liabilities	<u>5,568,154</u>	<u>45,421,732</u>	<u>20,872,251</u>	<u>8,641,767</u>	<u>3,732,046</u>	<u>-</u>	<u>-</u>	<u>84,235,950</u>	<u>(13,115,167)</u>	<u>71,120,783</u>
Net Assets										
Without donor restrictions	13,107,332	15,896,785	2,255,026	(3,257,943)	2,691,206	21,919,256	57,347	52,669,009	-	52,669,009
With donor restrictions	4,156,455	-	-	-	-	-	-	4,156,455	-	4,156,455
Total Net Assets	<u>17,263,787</u>	<u>15,896,785</u>	<u>2,255,026</u>	<u>(3,257,943)</u>	<u>2,691,206</u>	<u>21,919,256</u>	<u>57,347</u>	<u>56,825,464</u>	<u>-</u>	<u>56,825,464</u>
	<u>\$ 22,831,941</u>	<u>\$ 61,318,517</u>	<u>\$ 23,127,277</u>	<u>\$ 5,383,824</u>	<u>\$ 6,423,252</u>	<u>\$ 21,919,256</u>	<u>\$ 57,347</u>	<u>\$ 141,061,414</u>	<u>\$ (13,115,167)</u>	<u>\$ 127,946,247</u>

See independent auditors' report

Chinese-American Planning Council, Inc. and Affiliates

Consolidating Schedule of Operations and Change in Net Assets For the Year Ended June 30, 2019

	Without Donor Restrictions								With Donor Restrictions	Consolidated	
	CPC	CPC-HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	Eliminations	Total		CPC
REVENUE											
Government grants and contracts	\$ 22,673,835	\$ 194,073,722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,747,557	\$ -	\$ 216,747,557
Contributions and private grants	2,356,666	-	7,872	-	-	-	-	-	2,364,538	103,071	2,467,609
Rental revenue	13,475	-	928,800	2,423,734	769,365	-	-	(2,419,357)	1,716,017	-	1,716,017
Contracted sources	6,510,845	276,593	-	-	-	-	-	(4,370,447)	2,416,991	33,615	2,450,606
Special events, net of \$109,655 of costs of direct benefit to donors	540,100	-	9,259	-	-	-	-	-	549,359	40,875	590,234
Interest and dividend income	18,743	179,226	471	1,516	79	-	-	-	200,035	14,305	214,340
Net unrealized and realized gain	1,673	-	-	-	-	-	-	-	1,673	-	1,673
Other public support	69,407	333,239	293,240	18,881	394,690	-	-	-	1,109,457	779	1,110,236
Net assets released from restrictions	152,352	-	-	-	-	-	-	-	152,352	(152,352)	-
Total Revenue	<u>32,337,096</u>	<u>194,862,780</u>	<u>1,239,642</u>	<u>2,444,131</u>	<u>1,164,134</u>	<u>-</u>	<u>-</u>	<u>(6,789,804)</u>	<u>225,257,979</u>	<u>40,293</u>	<u>225,298,272</u>
EXPENSES											
Program Services											
Home attendant program	-	177,899,345	-	-	-	-	-	(98,031)	177,801,314	-	177,801,314
Community services	6,193,726	-	-	-	-	-	-	(107,002)	6,086,724	-	6,086,724
Senior citizens' services	5,438,130	-	-	-	-	-	-	(534,760)	4,903,370	-	4,903,370
Housing and economic development	-	-	1,652,946	2,339,463	834,862	-	-	-	4,827,271	-	4,827,271
Early childcare services	5,172,984	-	-	-	-	-	-	(347,856)	4,825,128	-	4,825,128
Youth services	4,596,490	-	-	-	-	-	-	(139,761)	4,456,729	-	4,456,729
School-age services	3,374,550	-	-	-	-	-	-	(81,720)	3,292,830	-	3,292,830
Workforce services	334,143	-	-	-	-	-	-	(755)	333,388	-	333,388
Total Program Services	<u>25,110,023</u>	<u>177,899,345</u>	<u>1,652,946</u>	<u>2,339,463</u>	<u>834,862</u>	<u>-</u>	<u>-</u>	<u>(1,309,885)</u>	<u>206,526,754</u>	<u>-</u>	<u>206,526,754</u>
Supporting Services											
Management and general	5,010,280	11,377,350	39,000	125,166	49,000	-	-	(5,479,919)	11,120,877	-	11,120,877
Fundraising	660,689	-	-	-	-	-	-	-	660,689	-	660,689
Total Supporting Services	<u>5,670,969</u>	<u>11,377,350</u>	<u>39,000</u>	<u>125,166</u>	<u>49,000</u>	<u>-</u>	<u>-</u>	<u>(5,479,919)</u>	<u>11,781,566</u>	<u>-</u>	<u>11,781,566</u>
Total Expenses	<u>30,780,992</u>	<u>189,276,695</u>	<u>1,691,946</u>	<u>2,464,629</u>	<u>883,862</u>	<u>-</u>	<u>-</u>	<u>(6,789,804)</u>	<u>218,308,320</u>	<u>-</u>	<u>218,308,320</u>
Change in Net Assets Before											
Impairment of Note Receivable and HRA Adjustments	1,556,104	5,586,085	(452,304)	(20,498)	280,272	-	-	-	6,949,659	40,293	6,989,952
Impairment of note receivable	-	-	-	-	-	(21,446,256)	-	-	(21,446,256)	-	(21,446,256)
Refund due to HRA	-	(10,173)	-	-	-	-	-	-	(10,173)	-	(10,173)
Equity surplus due to HRA of notes receivable	-	-	-	-	-	-	-	-	-	-	-
Change in Net Assets	1,556,104	5,575,912	(452,304)	(20,498)	280,272	(21,446,256)	-	-	(14,506,770)	40,293	(14,466,477)
Beginning of year, as restated	13,107,332	15,896,785	2,255,026	(3,257,943)	2,691,206	21,919,256	57,347	-	52,669,009	4,156,455	56,825,464
End of year	<u>\$ 14,663,436</u>	<u>\$ 21,472,697</u>	<u>\$ 1,802,722</u>	<u>\$ (3,278,441)</u>	<u>\$ 2,971,478</u>	<u>\$ 473,000</u>	<u>\$ 57,347</u>	<u>\$ -</u>	<u>\$ 38,162,239</u>	<u>\$ 4,196,748</u>	<u>\$ 42,358,987</u>

See independent auditors' report

Chinese-American Planning Council, Inc. and Affiliates

Consolidating Schedule of Operations and Change in Net Assets For the Year Ended June 30, 2018

	Without Donor Restrictions								With Donor Restrictions		
	CPC	CPC-HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	Eliminations	Total	CPC	Consolidated
REVENUE											
Government grants and contracts	\$ 21,374,005	\$ 161,096,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,470,735	\$ -	\$ 182,470,735
Contributions and private grants	2,207,405	-	406,301	-	-	-	-	-	2,613,706	91,431	2,705,137
Rental revenue	40,355	-	928,800	2,395,727	746,001	-	-	(1,674,801)	2,436,082	-	2,436,082
Contracted sources	5,841,229	-	-	-	-	-	-	(3,911,865)	1,929,364	-	1,929,364
Special events, net of \$95,910 of costs of direct benefit to donors	437,992	-	-	-	-	-	-	-	437,992	-	437,992
Interest and dividend income	9,342	145,257	132	647	26	-	-	-	155,404	12,535	167,939
Other public support	174,173	2,632,516	244,840	4,150	304,156	-	-	-	3,359,835	124,333	3,484,168
Net assets released from restrictions	307,337	-	-	-	-	-	-	-	307,337	(307,337)	-
Total Revenue	30,391,838	163,874,503	1,580,073	2,400,524	1,050,183	-	-	(5,586,666)	193,710,455	(79,038)	193,631,417
EXPENSES											
Program Services											
Home attendant program	-	144,744,427	-	-	-	-	-	-	144,744,427	-	144,744,427
Community services	5,989,927	-	-	-	-	-	-	(97,452)	5,892,475	-	5,892,475
Senior citizens' services	5,111,041	-	-	-	-	-	-	(179,802)	4,931,239	-	4,931,239
Housing and economic development	-	-	1,981,562	2,408,741	890,410	-	-	-	5,280,713	-	5,280,713
Early childcare services	4,671,005	-	-	-	-	-	-	(321,515)	4,349,490	-	4,349,490
Youth services	4,236,478	-	-	-	-	-	-	(76,464)	4,160,014	-	4,160,014
School-age services	3,124,989	-	-	-	-	-	-	(41,835)	3,083,154	-	3,083,154
Workforce services	491,470	-	-	-	-	-	-	-	491,470	-	491,470
Total Program Services	23,624,910	144,744,427	1,981,562	2,408,741	890,410	-	-	(717,068)	172,932,982	-	172,932,982
Supporting Services											
Management and general	4,169,455	15,692,071	159,000	123,912	34,417	-	-	(4,869,598)	15,309,257	-	15,309,257
Fundraising	363,963	-	3,874	-	-	-	-	-	367,837	-	367,837
Total Supporting Services	4,533,418	15,692,071	162,874	123,912	34,417	-	-	(4,869,598)	15,677,094	-	15,677,094
Total Expenses	28,158,328	160,436,498	2,144,436	2,532,653	924,827	-	-	(5,586,666)	188,610,076	-	188,610,076
Change in Net Assets Before HRA Adjustments	2,233,510	3,438,005	(564,363)	(132,129)	125,356	-	-	-	5,100,379	(79,038)	5,021,341
Equity surplus due to HRA	-	1,363	-	-	-	-	-	-	1,363	-	1,363
Change in Net Assets	2,233,510	3,439,368	(564,363)	(132,129)	125,356	-	-	-	5,101,742	(79,038)	5,022,704
Beginning of year, as restated	10,873,822	12,457,417	2,819,389	(3,125,814)	2,565,850	21,919,256	57,347	-	47,567,267	4,235,493	51,802,760
End of year	\$ 13,107,332	\$ 15,896,785	\$ 2,255,026	\$ (3,257,943)	\$ 2,691,206	\$ 21,919,256	\$ 57,347	\$ -	\$ 52,669,009	\$ 4,156,455	\$ 56,825,464

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