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ADVANCING OUR COMMUNITY

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

(Together with Independent Auditors' Report)

YEAR ENDED JUNE 30, 2021

MARKS PANETH

ACCOUNTANTS & ADVISORS

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEAR ENDED JUNE 30, 2021

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Chinese-American Planning Council, Inc. ("CPC") and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 audit. We conducted our audit 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 auditor's 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 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 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, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on page 21 and 22 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, and changes in net assets of the individual organizations, and is not a required part of the consolidated financial statements. The supplementary information on page 23 is presented for purposes of additional analysis as required by New York State Education Department 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 supplementary information has been subjected to the auditing procedures applied in the audit 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 supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
November 30, 2021

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021

ASSETS	
Cash and cash equivalents (Notes 2D, 5 and 15A)	$ 44,458,381
Government grants and contracts receivable (Notes 2E and 2F)	11,600,113
Accounts receivable, net (Note 2F)	23,302,223
Prepaid expenses and deposits (Note 2I)	2,042,366
Investments (Notes 2G and 4)	823,563
Notes receivable (Note 7)	983,000
Restricted cash (Note 2D)	12,681,436
Property and equipment, net (Notes 2H and 6)	30,147,410
TOTAL ASSETS	$ 126,038,492
LIABILITIES	
Accounts payable and accrued expenses	$ 6,870,525
Accrued payroll and benefits (Notes 11D and 11F)	29,054,546
Refundable advance (Note 2E)	134,199
Due to funding sources (Note 11E)	20,021,262
Deferred revenue (Note 10)	2,331,998
Deferred rent (Notes 2K, 2L,10 and 11A)	5,456,397
Mortgages payable (Note 9)	12,196,446
Line of credit (Note 8)	1,200,000
TOTAL LIABILITIES	77,265,373
COMMITMENTS AND CONTINGENCIES (Note 11)	
NET ASSETS	
Without donor restrictions (Note 2C):	
Available for operations	23,339,738
Net investment in property and equipment	17,950,964
Board Designated (Note 12A)	207,418
Total without donor restrictions	41,498,120
With donor restrictions (Notes 2C, 12B and 13)	
Restricted for time and purpose	6,604,731
Perpetual in nature	670,268
Total with donor restrictions	7,274,999
TOTAL NET ASSETS	48,773,119
TOTAL LIABILITIES AND NET ASSETS	$ 126,038,492

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

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	For the Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:			
Government grants and contracts (Notes 2E and 15B)	$ 38,041,444	$ -	$ 38,041,444
Program service fee (Notes 2N and 15B)	198,699,145	-	198,699,145
Contributions and private grants (Note 2M)	2,904,356	2,521,211	5,425,567
Rental revenue (Notes 2L and 10)	5,253,540	-	5,253,540
Net investment income (Note 4)	100,022	18,770	118,792
Other income (Note 2E)	2,234,891	-	2,234,891
Net assets released from restrictions (Notes 2B and 12B)	38,580	(38,580)	-
TOTAL REVENUE	247,271,978	2,501,401	249,773,379
EXPENSES (Note 2O):			
Program services	227,070,981	-	227,070,981
Management and general	19,545,408	-	19,545,408
Fundraising	778,247	-	778,247
TOTAL EXPENSES	247,394,636	-	247,394,636
CHANGE IN NET ASSETS	(122,658)	2,501,401	2,378,743
Net Assets - Beginning of Year	41,620,778	4,773,598	46,394,376
NET ASSETS - END OF YEAR	$ 41,498,120	$ 7,274,999	$ 48,773,119

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

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services										Supporting Services		
	Early Childcare Services	School-Age Services	Youth Services	Workforce Services	Community Services	Senior Services	COVID-19 Services	Home Attendant Program	Housing and Economic Development	Total	Management and General	Fundraising	Total 2021
Salaries	$ 4,179,943	$ 1,418,946	$ 2,169,940	$ 367,230	$ 3,514,260	$ 3,032,675	$ 4,304,798	$ 143,370,527	$ 364,463	$ 162,722,782	$ 7,324,965	$ 467,801	$ 170,515,548
Payroll taxes and fringe benefits (Note 14)	941,249	240,873	533,650	112,350	1,175,784	640,300	689,960	40,501,287	99,800	44,935,253	2,248,519	160,794	47,344,566
Total Personnel Costs	5,121,192	1,659,819	2,703,590	479,580	4,690,044	3,672,975	4,994,758	183,871,814	464,263	207,658,035	9,573,484	628,595	217,860,114
Food and food related supplies	66,306	910	13,774	-	3,829	143,243	6,145	-	-	234,207	-	-	234,207
Other program supplies	269,514	59,007	113,411	2,449	107,343	101,777	23,940	-	-	677,441	-	-	677,441
Client contractual and other services	256,532	68,872	22,713	3,935	4,545,896	28,120	30,785	20,573	64,912	5,042,338	-	-	5,042,338
Participant expenses	1,772,204	-	112,359	100,000	1,160,737	2,860	11,350	-	-	3,159,510	-	-	3,159,510
Accounting fees	-	-	-	-	36,792	-	-	56,050	-	92,842	164,475	-	257,317
Legal fees	-	-	-	-	-	-	-	447,596	94	447,690	354,265	-	801,955
Consultant fees	-	-	-	-	450	-	-	-	329	779	112,606	107,168	220,553
Payroll/client billing preparation	50,491	-	-	-	-	-	-	660,866	-	711,357	501,151	-	1,212,508
Rent and real estate taxes	807,124	-	155,215	-	546,529	16,976	5,630	-	312,617	1,844,091	1,304,021	-	3,148,112
Home attendant medical exams	-	-	-	-	-	-	-	560,035	-	560,035	-	-	560,035
Utilities	30,634	-	12,576	418	31,123	77,894	541	72,271	498,399	723,856	23,002	-	746,858
Building maintenance and repairs	30,131	20,796	7,415	686	50,514	92,508	-	16,390	708,290	926,730	323,265	-	1,249,995
Supplies	-	8,449	363	1,799	-	-	-	86,802	27,422	124,835	16,695	2,501	144,031
Telephone	30,025	12,709	15,344	6,062	41,641	14,032	-	-	3,664	123,477	43,142	-	166,619
Insurance	1,985	-	-	-	3,950	10,768	-	-	177,917	194,620	1,171,604	-	1,366,224
Equipment purchase/rental	155,961	61,113	75,873	674	77,757	6,934	26,036	25,390	-	429,738	11,967	9,511	451,216
Printing/postage/subscriptions	1,500	2,072	4,603	-	46,778	19,892	55	10,827	-	85,727	9,958	6,147	101,832
Promotion/public relations/advertising (Note 2P)	8,147	-	-	-	122,523	200	2,675	47,500	-	181,045	15,156	143	196,344
Staff training/conferences	42,986	1,161	5,640	295	27,872	2,620	6,032	-	-	86,606	12,093	1,545	100,244
Interest and bank fees	-	-	-	-	-	96	-	-	969,346	969,442	111,880	-	1,081,322
Mortgage defeasance costs (Note 9C)	-	-	-	-	-	-	-	-	1,165,735	1,165,735	-	-	1,165,735
Depreciation and amortization (Note 6)	2,761	-	-	-	1,908	2,835	-	-	1,299,913	1,307,417	60,925	-	1,368,342
Bad debt expense	-	-	-	-	-	-	-	-	-	-	5,382,666	-	5,382,666
Miscellaneous	4,793	4,367	10,197	3,719	27,284	11,410	5,066	147,071	109,521	323,428	353,053	22,637	699,118
TOTAL EXPENSES	$ 8,652,286	$ 1,899,275	$ 3,253,073	$ 599,617	$ 11,522,970	$ 4,205,140	$ 5,113,013	$ 186,023,185	$ 5,802,422	$ 227,070,981	$ 19,545,408	$ 778,247	$ 247,394,636

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 2,378,743
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Bad debt	5,382,666
Depreciation and amortization	1,368,342
Amortization of debt issuance costs	183,100
Net realized and unrealized loss	2,017
Subtotal	9,314,868
Changes in operating assets and liabilities:	
(Increase) or decrease in assets:	
Government grants receivable	(6,366,181)
Accounts receivable	(3,042,560)
Prepaid expenses and deposits	(483,423)
Tenant accounts receivable	(71,370)
Increase or (decrease) in liabilities:	
Accounts payable and accrued expenses	(3,462,769)
Accrued payroll and benefits	5,900,072
Refundable advances	132,982
Deferred revenue	2,267,644
Deferred rent	5,456,397
Due to funding sources	(5,971,199)
Net Cash Provided by Operating Activities	3,674,461
CASH FLOWS FROM INVESTING ACTIVITIES:	
Acquisition of property and equipment	(447,423)
Purchase of investments	(120,693)
Net Cash Used in Investing Activities	(568,116)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from line of credit	1,200,000
Repayment of line of credit	(2,000,000)
Mortgage principal payments	(8,702,493)
Net Cash Used in Financing Activities	(9,502,493)
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(6,396,148)
Cash, cash equivalents and restricted cash - beginning of year	63,535,965
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 57,139,817
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the year for interest	$ 1,081,322

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

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

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

- **CPC Home Attendant Program Holding ("HAPH"):** CPC is the sole member of HAPH and provides Board oversight. HAPH is a NYS nonprofit corporation.
    - **Chinese-American Planning Council Home Attendant Program, Inc.("HAP"):** HAPH is the sole member of HAP. HAP is a nonprofit NYS licensed home care service agency organized under the NYS nonprofit corporation law. HAP provides comprehensive personal care services at the homes of individuals who are disabled and/or handicapped.
- **CPC Tenant and Building Services ("TBS"):** TBS is a NYS not-for-profit corporation. CPC is the sole member of TBS and TBS is in turn the sole member of the following entities:
    - **The Chinatown Planning Council Housing Development Fund ("HDFC"):** The primary purpose of 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 HDFC under Section 8 of the HUD Housing Assistance Program to make housing assistance payments on behalf of qualified tenants. In addition, 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 Corporation ("NSLDC"):** The primary purpose of NSLDC is to build, own and operate a building in Flushing, Queens to house CPC programs. CPC is the guarantor for the mortgage loan associated with the building.
    - **Chinese-American Tribeca Center, Inc.("CTCI"):** The primary purpose of CTCI is to improve the quality of life of 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 HAP home health care services programs.
    - **16 Dutch Housing Development Fund Corp. ("16 Dutch"):** The primary purpose of 16 Dutch is 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.
- **CPC One ("CPCO"):** The primary purpose of CPCO is to own and operate a facility for central operations. CPC is the sole member of CPCO.
- **Chinatown Neighborhood Local Development Corporation ("LDC"):** The primary purpose of LDC was to provide advanced services, skill upgrades, and employment related resources to individual who are motivated to advance their careers. This entity is no longer active and is in the progress of being dissolved. CPC is the sole member of LDC.

All of the entities listed above are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. CPC and its affiliates are collectively referred to as "the Organization".

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Consolidation*** - The consolidated financial statements include the activities of CPC and Affiliates. All significant intercompany balances and transactions have been eliminated in consolidation.

B. ***Basis of Accounting*** - The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").

C. ***Basis of Presentation*** - The Organization maintain its net assets under the following two classes:

   a. Net assets without donor restrictions – includes funds having no restriction as to use or purpose imposed by donors. It represents resources available for support of the Organization's operations. Board designated net assets consist of net assets whose use has been designated by the Board for the Community Services Program (Note 12A).

   b. Net assets with donor restrictions – represents assets that are subject to donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

D. ***Cash, Cash Equivalents and Restricted Cash*** - 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. Restricted cash and cash equivalents as of June 30, 2021 includes restricted deposits and surplus to be remitted by HAP to The City of New York Human Resources Administration ("HRA") in accordance with prior contract requirements. The following table provides a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts shown in the consolidated statement of cash flows:

Cash and cash equivalents	$ 44,458,381
Restricted cash:	
Home Attendant and Housekeeping ("HA & HK") Programs	3,813,695
Consumer Directed Personal Assistance ("CDPAP")	8,669,122
Restricted Deposits	198,619
	12,681,436
Total	$ 57,139,817

E. ***Government Grants and Contracts*** – The Organization derives its revenue from, among other sources, cost reimbursement contracts with government agencies which are recognized as revenue as those costs are incurred and the revenue is earned. Advances received on government grants are recorded as a liability until the expenses are incurred, at which time revenue is recognized. Cost reimbursement type government grants are accounted for under Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958).

   Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion. For the year ended June 30, 2021, CPC was awarded conditional grants and contracts from government agencies in the aggregate amount of $63,608,864 that have not been recorded in the accompanying consolidated financial statements, as they have not yet been earned. These grants and contracts require CPC to provide qualifying expenses to conduct certain services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

   New York State provides Quality Incentive Vital Access Provider Pool ("QIVAPP") funding to eligible home care agencies. During the year ended June 30, 2021, HAP received approximately $1.2 million in QIVAPP funds, which are included in other income in the consolidated statement of activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. ***Allowance for Doubtful Accounts*** – The Organization determines whether an allowance for doubtful accounts should be provided for government grants and contracts receivable, and accounts receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

As of June 30, 2021, the Organization determined that an allowance of $9,824,188 was necessary for accounts receivable and no allowance was necessary for government grants and contracts receivable.

G. ***Investments and Fair Value Measurement*** - Investments are recorded at fair value. Fair value measurements are the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.

H. ***Property and Equipment*** - Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the lease. The Organization follows the policy of capitalizing all acquisitions in excess of $5,000 with a useful life of 5 years or more, except HAP, which has a policy of capitalizing all acquisitions in excess of $10,000 and a useful life of more than one year. Items of furniture and equipment, where title is held by the granting agency, are expensed when purchased.

I. ***Tenant Deposits Held in Trust*** – Funds received as security deposits for services are held in trust for tenants by HDFC and NSLDC and are included in prepaid expenses and deposits on the accompanying consolidated statement of financial position. These funds are segregated in a separate interest-bearing account for the tenants' benefit and are not available for other uses. Upon cessation of each tenant's stay at HDFC and NSLDC, the security deposit plus earned interest is returned to the tenant or a family member.

J. ***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 Organization reflects amortization of debt issuance costs within interest expense.

K. ***Deferred Rent*** - Rent expense is recorded on the straight-line basis. The portion of rent expense accrued due to straight-lining of the lease is reflected as deferred rent on the accompanying consolidated statement of financial position.

L. ***Rental Revenue*** – Rental income is recognized as it accrues. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between HDFC and tenants of the property are operating leases. HDFC may not increase rental charges without HUD's approval. CPCO rent revenue is recognized on the straight-line basis. Upfront lease payments received in advance of the period to which they apply are deferred and recognized as revenue during future periods. The portion of rent revenue recognized due to straight-lining of the lease is reflected as deferred rent on the accompanying consolidated statement of financial position.

M. ***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, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions expire during the same fiscal year are recognized as support without donor restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. ***Program Service Revenue*** - Program service revenue is recognized and recorded at the time a service is performed. Such services include senior and youth programs. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Organization measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2021. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Organization determines the transaction price based on established rates and contracts for services provided.

HAP recognizes revenue for personal care services under fee-for-service agreements with the City of New York, as well as other Managed Care Organizations (“MCO”). HAP records revenue and receivables from contracting agencies based on claims for expense reimbursements and program utilization at contracted rates.

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.

HAP recognizes revenue in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) FASB ASU 2014-09, “*Revenue from Contracts with Customers*” (Topic 606). Under ASU 2014-09, accounts receivable, program revenue and client surplus income are reported at the amount that reflects the consideration to which HAP expects to be entitled to in exchange for providing personal care services.

HAP’s initial estimate of the transaction price (as defined in ASU 2014-09) for services provided to individuals subject to revenue recognition is determined by reducing the total standard charges related to personal care services provided by various elements of variable consideration, including explicit price considerations such as contractual adjustments and implicit price concessions provided, primarily to uninsured individuals, and other reductions to HAP’s standard charges. HAP determines the transaction price associated with services provided to individuals who have third-party payor coverage on the basis of contractual or formula-driven rates for the services rendered. The estimates for contractual allowances and discounts are based on contractual agreements and historical experience. For under-insured individuals, HAP determines the transaction price associated with services rendered on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimation of the transaction price are based on HAP’s historical collection experience for applicable portfolios.

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to net program revenue in the period of change. For the year ended June 30, 2021, changes in the estimates of implicit price concessions, discounts, contractual adjustments and other reductions to expected payments for performance obligations satisfied in prior years were not significant. Subsequent changes that are determined to be the result of adverse change in the patient’s ability to pay (determined on a portfolio basis, when applicable) are recorded as bad debt expense.

Accounts receivable and net program revenue result from health care services provided by HAP and are reported at the amount that reflects the consideration to which HAP expects to be entitled in exchange for providing health care. These amounts are due from New York City Human Resources Administration (“HRA”), MCO, Medicaid Long-Term Care ("MLTC”) Plans and others and include variable consideration for retroactive revenue adjustments due to settlement of ongoing future audits, reviews and investigations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MCO and MLTC Plans

Effective August 1, 2011, some recipients of personal care services became the responsibility of MCO and MLTC Plans. Accordingly, HAP executed a contract with the MCO and MLTC Plans for the provision of such services. Revenues generated from these contracted services totaled $93,754,767 for the year ended June 30, 2021.

HRA Contracts

HAP entered into contracts with HRA to provide personal care services to Medicaid-eligible disabled individuals. Program revenue from such services rendered amounted to $102,254,704 for the year ended June 30, 2021. Some recipients of personal care services are required, pursuant to 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 $214,896 for the year ended June 30, 2021.

The Organization's program service revenue consists of revenues for the following programs:

HAP Home Attendant Program	$ 196,224,367
Community Services	2,026,869
Early Childcare Services	320,659
Senior Services	78,090
School-Age Services	16,176
Youth Services	13,483
Other Programs	19,501
	$ 198,699,145

O. ***Functional Allocation of Expenses*** – The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of functional expenses. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, amortization and insurance, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses and other, which are allocated on the basis of estimates of time and effort.

P. ***Advertising expenses*** - Advertising costs are charged to operations when incurred. Advertising expenses for the year ended June 30, 2021 amounted to $196,344.

Q. ***Use of estimates*** - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of, June 30, 2021, the consolidated statement of financial position date, comprise the following:

Cash and cash equivalents	$ 44,458,381
Restricted cash	12,681,436
Government grants and contracts receivable	11,600,113
Accounts receivable	23,302,223
Investments	823,563
Total financial assets	92,865,716
Less: Cash and cash equivalents – custodial funds	4,005,209
Less: Restricted cash	12,681,436
Less: Net assets designated by the Board	207,418
Less: Net assets with donor restrictions	7,274,999
	$ 68,696,654

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

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The fair value hierarchy defines three levels as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

- Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

- Level 3: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models or similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Investments in money market funds and equities are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following are major categories of investments measured at fair value categorized by the fair value hierarchy as of June 30, 2021:

	Level 1	Total
Investments:		
Money market funds	$ 821,450	$ 821,450
Equities	2,113	2,113
Total	$ 823,563	$ 823,563

Investments are subject to market volatility that could substantially change their carrying values in the near term. Investment income consists of the following for the year ended June 30, 2021:

Interest and dividends	$ 120,809
Unrealized loss on investments	(2,017)
Net investment income	$ 118,792

NOTE 5 – CUSTODIAL ASSETS

Certain programs of the Organization formed advisory committees to raise funds. Disbursements from these funds must be authorized by their respective advisory committee.

The balances related to the custodial assets' activities, which are included in the consolidated statement of financial position, are as follows as of June 30, 2021:

Cash and cash equivalents - custodial funds	$ 4,005,209
Prepaid expenses and deposits	40,807
Total	$ 4,046,016

NOTE 6 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following as of June 30, 2021:

		Estimated Useful Lives
Land	$ 1,428,183	
Leasehold improvement	482,652	5 years or lease term
Building and building improvement	45,902,004	40 years
Equipment	482,860	3 -5 years
Furniture and fixtures	1,040,965	5 years
Vehicles	50,344	5 years
Computer software	296,884	3 years
Construction in progress	1,799	
	49,685,691	
Less: Accumulated depreciation and amortization	(19,538,281)	
Total	$30,147,410	

For the year ended June 30, 2021, depreciation and amortization expense amounted to $1,368,342.

NOTE 7 – NOTES RECEIVABLE

As of June 30, 2021, CPC has a $510,000 note receivable from 110 Fulton Limited Partnership, the management company of 16 Dutch. The note bears interest at a rate of 5% compounded quarterly. The note expired on February 28, 2021 with the balance still outstanding. As of June 30, 2021, 16 Dutch also has a note receivable from 110 Fulton Limited Partnership for $473,000.

NOTE 8 – LINE OF CREDIT

The Organization has a line of credit of $4,000,000 which bears interest at a rate of 1% per annum above the Prime Rate. The line of credit expires annually and is renewable on a yearly basis. The Organization's line of credit balance as of June 30, 2021 was $1,200,000.

NOTE 9 – MORTGAGES PAYABLE

A. ***NSLDC:*** 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 The Wall Street Journal Daily Prime Rate Plus 0.25% thereafter. The loan is collateralized by the land and the building. As of June 30, 2021, the outstanding balance was $9,054,289.

B. ***CTCI:*** On November 25, 2019, CTCI renegotiated its January 16, 2019 mortgage loan to finance the purchase of the property located at One York Street with a bank in the amount of $3,491,286. The mortgage bears an interest rate of London Interbank Offered Rate ("LIBOR") plus 2.25%. The mortgage matures on December 1, 2024 and is amortized over 15 years through 2035. As of June 30, 2021, the outstanding principal was $3,142,157. The loan is collateralized by the land and building. As of June 30, 2021, CTCI was in compliance with the debt covenants on the mortgage.

C. ***HDFC:*** During the year ended June 30, 2021, HDFC paid off its outstanding mortgage amounting to approximately $8,216,000 with Greystone Servicing Corporation, Inc. and incurred defeasance costs of $1,165,735 to exit the mortgage. The unamortized debt issuance costs were fully amortized along with repayment of mortgage during the year ended June 20, 2021. Amortization of debt issuance costs included in interest expense was $183,100 in 2021.

As of June 30, 2021, the future scheduled maturities of mortgages payable are as following:

2022	$ 397,168
2023	405,482
2024	403,227
2025	413,798
2026	423,673
Thereafter	10,153,098
Total	$ 12,196,446

NOTE 10 – GROUND LEASE REVENUE

In December 2020, CPCO entered into a 99-year ground lease agreement with a tenant for the development of a mixed-used development on vacant land that CPCO owns. The ground lease provides for an upfront base rent payment of $7.1 million and annual rents commencing after the 5th anniversary of the commencement date with escalation clauses for increase in based rent over the term of the lease.

NOTE 10 – GROUND LEASE REVENUE (Continued)

Rent credits and charges are accounted for on a straight-line basis over the life of the lease, which gives rise to a timing difference that is reflected as deferred rent obligation in the accompanying consolidated statement of financial position as follows:

Deferred rent asset	$	2,527,662
Advances received		(7,100,000)
Net deferred rent	$	(4,572,338)

In connection with CPCO's ground lease agreement with the construction developer, CPC is entitled to a fit-out allowance equal to $4,000,000 to be used for renovation of community facility leasehold condominium units that will be constructed by the construction developer. As of June 30, 2021, CPC has received $2,331,998 of the fit-out allowance which is recorded as deferred revenue in the accompanying consolidated statement of financial position.

The future minimum base rent to be received under the ground leases during each of the Organization's five fiscal years ending from June 30, 2022 through 2026 and through the end of the lease terms (thereafter), are approximately as follows:

2022	$	-
2023		-
2024		-
2025		-
2026		725,000
Thereafter		492,652,000
Total	$	493,377,000

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. ***Lease Commitments***

CPC leases office space at 150 Elizabeth Street, New York, New York under a month-to-month agreement. It was agreed that the lessor and lessee will gives three-month advance notice regarding any anticipated changes to the agreement. Rent expense for the year ended June 30, 2021 was $352,012.

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 July 2040. Rent expense for the year ended June 30, 2021 was $2,835,495. Rent credits and charges are accounted for on a straight-line basis over the life of the lease, which gives rise to a timing difference that is reflected as deferred rent obligation in the accompanying consolidated statement of financial position, amounting to $884,059 as of June 30, 2021.

As of June 30, 2021, minimum annual rental commitments for the remaining terms of CPC's operating lease were as follows:

2022	$	2,450,232
2023		2,490,281
2024		2,534,254
2025		2,576,805
2026		2,138,346
Thereafter		11,436,414
Total	$	23,626,332

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

B. ***Contingent Liabilities***

The Organization is a party to legal proceedings incidental to its activities. Certain claims, lawsuits and complaints arising in the ordinary course of business have been filed or are pending against the Organization. In the opinion of management and corporate legal counsel, based upon current facts and circumstances, the resolution of these matters should not have a material adverse effect on the financial statements.

C. ***Third Party Contingencies***

Grants and revenues from services rendered are subject to audit by government agencies. In the past, the Organization has been audited by the New York City Department of Youth and Community Development as well as the New York City Administration for Children's Services. Until such audits are completed and final settlements reached, there exists a contingency to refund any amount in excess of allowable or unallowable costs.

HAP is responsible to report to various third parties, among which are the Internal Revenue Service ("IRS"), the New York State Department of Charities Registration and HRA. These agencies have the right to audit fiscal as well as programmatic compliance, i.e., clinical documentation and physician certifications, among other compliance requirements. HRA revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by HRA as a result of such audit, any claim for reimbursement by the grantor agencies would become a liability of HAP.

D. ***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 has contracted with UMR, Inc., a third-party administrator, to provide administrative services for this medical insurance benefits program. The accrued liability amounted to $891,579 as of June 30, 2021 and is included in accrued payroll and benefits on the accompanying consolidated statement of financial position.

Activity of the accrued employee health claims as of June 30, 2021 is below:

Balance, beginning of year	$ 506,802
Claim estimate	2,979,425
Claims and expenses paid	(2,594,648)
Balance, end of year	$ 891,579

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 at $150,000 per individual on a 12-month calendar year) would become the responsibility of the reinsurers.

E. ***Due to Funding Sources***

In accordance with HRA contract requirements, amounts received for all personal care services in excess of the total expenses incurred by HAP are to be remitted to HRA. Therefore, 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, HAP entered into a new agreement with HRA, wherein HAP will retain all surplus income. As of June 30, 2021, due to HRA consist of:

Balance from prior years (pre-2017)	$ 12,314,400
Equity surplus due to HRA	116,819
	$ 12,431,219

NOTE 11 – COMMITMENT AND CONTINGENCIES (Continued)

Management established a reserve for potential disallowances as a result of audits conducted by HRA. As of June 30, 2021, HRA completed fiscal audits through fiscal year ended June 30, 2013. Currently, HRA is conducting an audit for the fiscal year ended June 30, 2014. As of June 30, 2021, the reserve for disallowance amounted to $7,590,043.

F. ***Estimated Accrual for Wage Parity***

HAP was obligated to compensate supplemental wages to certain employees as mandated by the Wage Parity law and has accrued an estimated liability of $15,037,657 as of June 30, 2021. The amount is included in accrued payroll and benefits in the accompanying consolidated statement of financial position.

G. ***Income Tax***

The Organization believes it had no uncertain tax positions as of June 30, 2021 in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

H. ***Operational Impact of COVID-19***

The COVID-19 pandemic remains a rapidly evolving situation. The ultimate extent of the impact of any pandemic or other health crisis on the Organization's mission, financial condition and results of operations will depend on further developments, which are uncertain and cannot be predicted. The Organization continues to monitor evolving economic and business conditions of COVID-19 on operations.

NOTE 12 – NET ASSETS

A. ***Board Designated Net Assets***

In 2007, the CPC Board designated $600,000, that was received for early termination of a lease related to the Community Services 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 expense. As of June 30, 2021, the balance of this Board designated net asset was $207,418. The amount is included in net assets without donor restrictions.

B. ***Net Assets with Donor Restrictions***

Net assets with donor restrictions were available for the following purposes as of June 30, 2021:

Subject to expenditures for specified purpose and (or) passage of time:	
Open Door Senior Center	$ 3,186,239
Nan Shan Senior Center	657,651
Chinatown Senior Center	130,648
Unappropriated endowment earnings	74,322
Other services	2,555,871
Subtotal	6,604,731
Endowment principal held in perpetuity:	
Endowment funds	$ 670,268
	670,268
	$ 7,274,999

NOTE 12 – NET ASSETS (Continued)

Net assets with donor restrictions from grants were released from restrictions for the following purposes during the year ended June 30, 2021:

Open Door Senior Center	$ 8,218
Nan Shan Senior Center	27,762
Chinatown Senior Center	1,420
Other services	1,180
Subtotal	$ 38,580

NOTE 13 – ENDOWMENT FUNDS

The Organization's endowment funds consist of four 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 Organization 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 Organization classifies as net assets with donor restrictions that are perpetual in nature (a) the original values 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 net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Organization 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 Organization and (7) the Organization's investment policies.

The Organization has adopted 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.

The Organization 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 Organization 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 restriction, and the possible effects of inflation. The Organization 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 Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

NOTE 13 – ENDOWMENT FUNDS (Continued)

Changes in endowment funds for year ended June 30, 2021 are as follows:

	Endowment Earnings	Endowment Corpus	Total
Investment activity gain	$ 18,770	$ -	$ 18,770
Additions	-	177,720	177,720
Amount appropriated by the Board of Directors	(1,180)	-	(1,180)
Net change	17,590	177,720	195,310
Balance, beginning of year	56,732	492,548	549,280
Balance, end of year	$ 74,322	$ 670,268	$ 744,590

Endowment net assets of $670,268 are included with investments on the consolidated statement of financial position as of June 30, 2021.

NOTE 14 – PENSION PLANS

A. ***403(b) Plan***

CPC maintains a 403(b) Plan (“403(b) Plan”) which covers all eligible full-time employees who elect to participate. CPC does not make contributions to the 403(b) Plan. There was no pension expense for the year ended June 30, 2021.

B. ***Defined Contribution Plan***

HAP has a defined contribution pension plan (“Plan”) for its nonunion personal assistants working under CDPAP. Employees become eligible to contribute to the Plan upon completion of the first year of employment. Each year, HAP decides whether or not it will make a contribution to the Plan. The amount of contribution is also determined by HAP. HAP has no obligation or requirement to make any contributions to the Plan. The employer contributions are fully vested. Total pension expense amounted to $612,043 for the year ended June 30, 2021.

C. ***401(a) Profit Sharing Plan***

HAP has a 401(a) Profit Sharing Plan (“PS Plan”) for its eligible administrative staff. Employees are eligible to contribute to the PS Plan upon completion of the first year of employment. Eligible employees are not required to contribute to the PS 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 year ended June 30, 2021, HAP contributed $248,423 to the PS Plan, which represents contributions of 6% of eligible employees’ salary.

D. ***Tax-Deferred Annuity Plan***

HAP also has a Tax-Deferred Annuity Plan (“TDA Plan”) to which employees become eligible to contribute upon employment. Participating employees may contribute any amount up to the maximum IRS annual contribution limits. Total amounts held in the Thrift Plan are fully and immediately vested.

E. ***Union Plan***

All home attendant employees of HAP that are union members are covered by an employer defined benefit pension plan administered by the union. HAP contributes to the 1199 SEIU Home Care Employees Union Pension Fund multiemployer defined benefit pension plan (“Union Plan”). Union pension expense for the year ended June 30, 2021 amounted to $594,056 and did not represent more than 5% of total contributions to the Union Plan.

NOTE 14 – PENSION PLANS (Continued)

The risks of participating in these multiemployer defined benefit pension plans are different from single employer plans because: (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 required to be borne by the remaining participating employers, and (c) if HAP chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan.

The following information was obtained from HAP's union-managed pension plan:

Pension Fund	EIN/ Pension Plan Number	FIP/RP Status Pending/ Implemented	2021 Contributions	Surcharge Imposed	Effective Date of Collective Bargaining Agreement
1199 SEIU Home Care Employees Pension Fund	EIN 13-3943904 Plan No. 001	No	$ 594,056	No	March 31, 2017

As of the date the financial statements were available to be issued, Form 5500 was available for the plan year ended December 31, 2020 and did not include 2021 plan information. 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 year ended December 31, 2020. As of December 31, 2020, the PPA Plan Zone status is Green.

As of June 30, 2021, HAP is in the process of negotiating an extension of the collective bargaining agreement with union members.

NOTE 15 – CONCENTRATIONS

A. *Credit Risk*

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to $250,000 per depositor. As of June 30, 2021, there was approximately $42,121,000 of cash and cash equivalents that exceeded FDIC limits.

B. *Revenue Concentration*

The Organization received grants from various government agencies totaling $40,387,074 which represent 16% of total operating revenue and support during the year ended June 30, 2021.

HAP derives nearly all of its revenue from contractual arrangements with HRA and MCO. For the year ended June 30, 2021, revenue from contracts with HRA and MCO represent 40% and 37%, respectively, of total revenue. As of June 30, 2021, receivables from HRA and MCO contracts represent 79% and 17%, respectively, of total accounts receivable.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through November 30, 2021, the date the financial statements were available to be issued.

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021

	CPC	HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	CPC One	Eliminations	Consolidated
ASSETS										
Cash and cash equivalents	$ 9,912,042	$ 32,930,771	$ 165,961	$ 255,542	$ 1,141,756	$ -	$ 50,324	$ 1,985	$ -	$ 44,458,381
Government grants and contracts receivable	11,593,433	-	-	6,680	-	-	-	-	-	11,600,113
Accounts receivable, net	562,791	22,654,389	73,914	11,129	-	-	-	-	-	23,302,223
Prepaid expenses and deposits	447,272	901,703	31,614	250,215	7,646	-	6,370	397,546	-	2,042,366
Investments	823,563	-	-	-	-	-	-	-	-	823,563
Notes receivable	510,000	-	-	-	-	473,000	-	-	-	983,000
Due to/from related parties, net	13,025,081	958,538	(11,092,607)	(2,664,479)	375,413	-	653	(602,599)	-	-
Restricted cash	-	12,482,817	-	198,619	-	-	-	-	-	12,681,436
Property and equipment, net	268,993	-	20,652,557	4,206,472	4,974,954	-	-	7,100,000	(7,055,566)	30,147,410
TOTAL ASSETS	$ 37,143,175	$ 69,928,218	$ 9,831,439	$ 2,264,178	$ 6,499,769	$ 473,000	$ 57,347	$ 6,896,932	$ (7,055,566)	$ 126,038,492
LIABILITIES										
Accounts payable and accrued expenses	$ 3,533,262	$ 2,594,507	64,217	$ 566,771	$ 111,768	$ -	$ -	$ -	$ -	$ 6,870,525
Accrued payroll and payroll taxes	3,402,783	25,647,995	3,768	-	-	-	-	-	-	29,054,546
Refundable advance	134,199	-	-	-	-	-	-	-	-	134,199
Due to funding sources	-	20,021,262	-	-	-	-	-	-	-	20,021,262
Deferred revenue	2,331,998	-	-	-	-	-	-	-	-	2,331,998
Deferred rent	884,059	56,245	-	-	-	-	-	4,572,338	(56,245)	5,456,397
Mortgage payable	-	-	9,054,289	-	3,142,157	-	-	-	-	12,196,446
Line of credit	1,200,000	-	-	-	-	-	-	-	-	1,200,000
TOTAL LIABILITIES	11,486,301	48,320,009	9,122,274	566,771	3,253,925	-	-	4,572,338	(56,245)	77,265,373
NET ASSETS										
Without donor restrictions:										
Available for operations	17,905,464	21,608,209	(10,889,103)	(2,509,065)	1,413,047	473,000	57,347	(4,775,406)	56,245	23,339,738
Net investment in property and equipment	268,993	-	11,598,268	4,206,472	1,832,797	-	-	7,100,000	(7,055,566)	17,950,964
Board designated	207,418	-	-	-	-	-	-	-	-	207,418
Total without donor restrictions	18,381,875	21,608,209	709,165	1,697,407	3,245,844	473,000	57,347	2,324,594	(6,999,321)	41,498,120
With donor restrictions										
Restricted for purpose and time	6,604,731	-	-	-	-	-	-	-	-	6,604,731
Perpetual in nature	670,268	-	-	-	-	-	-	-	-	670,268
Total with donor restrictions	7,274,999	-	-	-	-	-	-	-	-	7,274,999
TOTAL NET ASSETS	25,656,874	21,608,209	709,165	1,697,407	3,245,844	473,000	57,347	2,324,594	(6,999,321)	48,773,119
TOTAL LIABILITIES AND NET ASSETS	$ 37,143,175	$ 69,928,218	$ 9,831,439	$ 2,264,178	$ 6,499,769	$ 473,000	$ 57,347	$ 6,896,932	$ (7,055,566)	$ 126,038,492

See independent auditors' report.

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions										With Donor Restrictions	
	CPC	HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	CPC One	Eliminations	Total	CPC	Consolidated
REVENUE:												
Government grants and contracts	$ 34,097,743	$ 3,897,255	$ -	$ 46,446	$ -	$ -	$ -	$ -	$ -	$ 38,041,444	$ -	$ 38,041,444
Program service fee	2,474,778	196,224,367	-	-	-	-	-	-	-	198,699,145	-	198,699,145
Contributions and private grants	2,904,356	-	-	-	-	-	-	-	-	2,904,356	2,521,211	5,425,567
Rental revenue	13,750	-	1,028,953	2,415,179	590,988	-	-	2,527,662	(1,322,992)	5,253,540	-	5,253,540
Licensing fee income	3,836,035	-	-	-	-	-	-	-	(3,836,035)	-	-	-
Management fee income	894,684	-	-	-	-	-	-	-	(894,684)	-	-	-
Net investment income	100,022	-	-	-	-	-	-	-	-	100,022	18,770	118,792
Gain on sale of land	-	-	-	7,055,566	-	-	-	-	(7,055,566)	-	-	-
Other income	689,891	1,313,177	71,975	2,478	157,370	-	-	-	-	2,234,891	-	2,234,891
Net assets released from restrictions	38,580	-	-	-	-	-	-	-	-	38,580	(38,580)	-
TOTAL REVENUE	45,049,839	201,434,799	1,100,928	9,519,669	748,358	-	-	2,527,662	(13,109,277)	247,271,978	2,501,401	249,773,379
EXPENSES:												
Program services												
Early childcare services	9,009,815	-	-	-	-	-	-	-	(357,529)	8,652,286	-	8,652,286
School-age services	1,974,949	-	-	-	-	-	-	-	(75,674)	1,899,275	-	1,899,275
Youth services	3,340,827	-	-	-	-	-	-	-	(87,754)	3,253,073	-	3,253,073
Workforce services	638,467	-	-	-	-	-	-	-	(38,850)	599,617	-	599,617
Community services	11,596,469	-	-	-	-	-	-	-	(73,499)	11,522,970	-	11,522,970
Senior citizen's services	4,638,833	-	-	-	-	-	-	-	(433,693)	4,205,140	-	4,205,140
COVID-19 services	5,113,013	-	-	-	-	-	-	-	-	5,113,013	-	5,113,013
Home attendant program	-	186,060,820	-	-	-	-	-	-	(37,635)	186,023,185	-	186,023,185
Housing and economic development	-	-	1,546,392	3,721,599	534,416	-	-	15	-	5,802,422	-	5,802,422
Total program services	36,312,373	186,060,820	1,546,392	3,721,599	534,416	-	-	15	(1,104,634)	227,070,981	-	227,070,981
Supporting services												
Management and general	6,061,151	17,711,805	50,280	472,041	52,400	-	-	203,053	(5,005,322)	19,545,408	-	19,545,408
Fundraising services	778,247	-	-	-	-	-	-	-	-	778,247	-	778,247
Total supporting services	6,839,398	17,711,805	50,280	472,041	52,400	-	-	203,053	(5,005,322)	20,323,655	-	20,323,655
TOTAL EXPENSES	43,151,771	203,772,625	1,596,672	4,193,640	586,816	-	-	203,068	(6,109,956)	247,394,636	-	247,394,636
TOTAL CHANGES IN NET ASSETS	1,898,068	(2,337,826)	(495,744)	5,326,029	161,542	-	-	2,324,594	(6,999,321)	(122,658)	2,501,401	2,378,743
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	16,483,807	23,946,035	1,204,909	(3,628,622)	3,084,302	473,000	57,347	-	-	41,620,778	4,773,598	46,394,376
NET ASSETS - END OF YEAR	$ 18,381,875	$ 21,608,209	$ 709,165	$ 1,697,407	$ 3,245,844	$ 473,000	$ 57,347	$ 2,324,594	$ (6,999,321)	$ 41,498,120	$ 7,274,999	$ 48,773,119

See independent auditors' report.

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
CONSOLIDATED SCHEDULE OF TUITION LOSS
FOR THE YEAR ENDED JUNE 30, 2021

		Amount
REVENUE		
Gross tuition income ("GTI")	$	70,000
Less student refunds		-
TOTAL REVENUE	$	70,000
EXPENDITURES		
Robin Hood - Director	$	47,654
Robin Hood - Instructor		7,509
Robin Hood - Health		4,019
Robin Hood - FICA		9,732
Robin Hood - SUI		177
Robin Hood - Disability		77
Robin Hood - Workers' compensation		436
Robin Hood - New York MTA tax		179
Robin Hood - Transit Administration		39
Robin Hood - Life Insurance		132
Robin Hood - Telephone		626
Robin Hood - Other cost		326
TOTAL EXPENDITURES		70,906
Net Tuition Loss	$	(906)