CHINESE-AMERICAN PLANNING COUNCIL, INC.
(Parent – Only Financial Statements)

Financial Statements
(Together with Independent Auditors' Report)

Years Ended June 30, 2023 and 2022

CHINESE-AMERICAN PLANNING COUNCIL, INC.
(Parent – Only Financial Statements)

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2003 AND 2002

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INDEPENDENT AUDITORS' REPORT

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

Qualified Opinion

We have audited the financial statements of Chinese-American Planning Council, Inc. ("CPC"), which comprise the statements of financial position as of June 30, 2023 and 2022 , and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of not recording its ownership interests in a wholly owned subsidiary, as discussed in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of CPC as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 2A to the financial statements, CPC has not recorded its ownership interest in a wholly owned subsidiary. In our opinion, accounting principles generally accepted in the United States of America ("GAAP") require that all wholly owned subsidiaries be accounted for under the equity method of accounting when presenting parent only financial statements. If the subsidiary had been included on the equity method of accounting, total net assets would be increased by approximately $12.4 million and $7.4 million as of June 2023 and 2022, respectively, and changes in net assets would be increased by approximately $5.1 million each for the years ended June 30, 2023 and 2022.

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

Other Matter

We also have audited, in accordance with GAAS, the consolidated financial statements of Chinese-American Planning Council, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended (none of which are presented herein), and we expressed an unmodified opinion on those consolidated financial statements. Such consolidated financial statements are the general-purpose financial statements of Chinese-American Planning Council, Inc. and Affiliates, and the financial statements of the parent company presented herein are not a valid substitute for those consolidated financial statements.

Change in Accounting Principle

As discussed in Note 2N to the financial statements, CPC changed its method of accounting for leases as a result of the adoption of Accounting Standards Codification ("ASC") Topic 842, *Leases*, effective July 1, 2022, under the modified retrospective transition method. Our opinion is not modified with respect to this matter.

Mayer Hoffman McCann CPAs
The New York Practice of Mayer Hoffman McCann P.C.
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Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 CPC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CPC's ability to continue as a going concern for a reasonable period of time.

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

Restriction on Use

This report is intended solely for the information and use by the Board and management of CPC and is not intended to be, and should not be, used by anyone other than those specified parties.

Mayer Hoffman McCann CPAs

New York, NY
December 1, 2023

CHINESE-AMERICAN PLANNING COUNCIL, INC.
PARENT - ONLY FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents (Notes 2C and 12A)	$ 47,311,436	$ 29,592,494
Restricted cash (Notes 2C and 12A)	18,325,346	18,325,346
Government grants and contracts receivable, net (Notes 2D and 2E)	12,918,907	13,833,825
Contributions and accounts receivable, net (Note 2E)	642,472	994,059
Investments (Notes 2F and 4)	3,874,324	4,090,792
Prepaid expenses and deposits	1,062,839	781,289
Note receivable (Note 6)	-	510,000
Due from related parties, net (Note 14)	19,514,885	12,881,648
Property and equipment, net (Notes 2G and 5)	81,277	79,819
Operating lease right-of-use assets (Notes 2N and 8)	18,361,677	-
TOTAL ASSETS	$ 122,093,163	$ 81,089,272
LIABILITIES		
Accounts payable and accrued expenses	$ 3,851,271	$ 3,813,875
Accrued payroll and benefits (Note 9C)	3,891,985	2,461,499
Refundable advances (Note 2D)	2,012,595	587,554
Deferred revenue (Note 13)	2,331,998	2,331,998
Deferred rent (Note 2H)	-	969,258
Operating lease liability (Notes 2N and 8)	19,361,302	-
TOTAL LIABILITIES	31,449,151	10,164,184
COMMITMENTS AND CONTINGENCIES (Note 9)		
NET ASSETS		
Without donor restrictions (Note 2B):		
Available for operations	64,785,368	46,408,849
Board designated (Note 10A)	207,418	207,418
Total net assets without donor restrictions	64,992,786	46,616,267
With donor restrictions (Notes 2B, 10B and 11)		
Restricted for purpose and time	24,978,958	23,636,553
Perpetual in nature	672,268	672,268
Total net assets with donor restrictions	25,651,226	24,308,821
TOTAL NET ASSETS	90,644,012	70,925,088
TOTAL LIABILITIES AND NET ASSETS	$ 122,093,163	$ 81,089,272

CHINESE-AMERICAN PLANNING COUNCIL, INC.
PARENT - ONLY FINANCIAL STATEMENTS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Government grants and contracts (Note 2D and 12B)	$ 44,861,180	$ -	$ 44,861,180	$ 38,048,728	$ -	$ 38,048,728
Contributions and private grants (Note 2I)	16,028,995	3,777,126	19,806,121	1,613,598	2,667,967	4,281,565
Special events (net of direct expenses of $47,062 in 2023)	401,464	-	401,464	-	-	-
Grants from related party (Note 14)	-	-	-	21,898,107	18,325,346	40,223,453
Program service fee (Note 2J)	4,773,576	-	4,773,576	4,375,654	-	4,375,654
Licensing fee income (Note 14)	3,956,544	-	3,956,544	3,910,121	-	3,910,121
Management fee income (Note 14)	524,000	-	524,000	524,004	-	524,004
Net investment income (Note 4)	1,312,241	33,724	1,345,965	90,954	13,733	104,687
Other income	333,030	-	333,030	854,437	-	854,437
Net assets released from restrictions (Notes 2B and 10)	2,468,445	(2,468,445)	-	3,973,224	(3,973,224)	-
TOTAL REVENUE	74,659,475	1,342,405	76,001,880	75,288,827	17,033,822	92,322,649
EXPENSES (Note 2K):						
Program services						
Early childcare services	6,205,706	-	6,205,706	5,883,003	-	5,883,003
School-age services	4,372,101	-	4,372,101	3,418,660	-	3,418,660
Youth services	5,456,701	-	5,456,701	3,739,943	-	3,739,943
Workforce services	682,570	-	682,570	632,794	-	632,794
Community services	24,889,164	-	24,889,164	20,371,639	-	20,371,639
Senior citizen services	7,735,230	-	7,735,230	6,614,635	-	6,614,635
Total program services	49,341,472	-	49,341,472	40,660,674	-	40,660,674
Supporting services						
Management and general	5,912,326	-	5,912,326	5,583,849	-	5,583,849
Fundraising	1,029,158	-	1,029,158	809,912	-	809,912
Total supporting services	6,941,484	-	6,941,484	6,393,761	-	6,393,761
TOTAL EXPENSES	56,282,956	-	56,282,956	47,054,435	-	47,054,435
CHANGE IN NET ASSETS	18,376,519	1,342,405	19,718,924	28,234,392	17,033,822	45,268,214
NET ASSETS - BEGINNING OF YEAR	46,616,267	24,308,821	70,925,088	18,381,875	7,274,999	25,656,874
NET ASSETS - END OF YEAR	$ 64,992,786	$ 25,651,226	$ 90,644,012	$ 46,616,267	$ 24,308,821	$ 70,925,088

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

CHINESE-AMERICAN PLANNING COUNCIL, INC.
PARENT - ONLY FINANCIAL STATEMENTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Program Services							Supporting Services			
	Early Childcare Services	School-Age Services	Youth Services	Workforce Services	Community Services	Senior Citizen Services	Total	Management and General	Fundraising	Total 2023	Total 2022
Salaries	$ 3,634,848	$ 3,221,136	$ 3,329,575	$ 451,323	$ 10,012,769	$ 3,946,723	$ 24,596,374	$ 3,066,614	$ 708,958	$ 28,371,946	$ 24,365,009
Payroll taxes and fringe benefits	740,666	458,112	694,459	99,128	2,292,534	734,512	5,019,411	564,427	164,837	5,748,675	5,457,062
Total Personnel Costs	4,375,514	3,679,248	4,024,034	550,451	12,305,303	4,681,235	29,615,785	3,631,041	873,795	34,120,621	29,822,071
Food and food related supplies	267,466	121,184	190,973	4,964	272,844	1,141,746	1,999,177	-	-	1,999,177	1,116,888
Other program supplies	75,696	194,943	209,031	11,551	124,307	21,292	636,820	-	-	636,820	1,015,832
Client contractual and other services	28,463	40,789	213,964	30,595	940,796	124,570	1,379,177	-	-	1,379,177	5,054,607
Participant expenses	-	-	144,820	-	9,479,975	-	9,624,795	-	-	9,624,795	952,649
Accounting fees	-	-	-	-	2,326	-	2,326	88,674	-	91,000	121,909
Legal fees	-	-	-	-	-	-	-	166,210	-	166,210	33,498
Consultant fees	-	-	-	-	-	-	-	174,177	63,993	238,170	322,940
Payroll/client billing preparation	35,685	-	-	-	39,632	-	75,317	289,318	-	364,635	342,005
Rent and real estate taxes (Note 8)	1,083,212	-	431,395	22,500	950,047	1,229,315	3,716,469	701,691	-	4,418,160	4,288,836
Utilities	56,577	-	40,676	5,866	79,638	77,899	260,656	23,579	-	284,235	222,791
Building maintenance and repairs	89,222	2,780	29,101	19,038	106,102	274,547	520,790	22,251	-	543,041	435,733
Supplies	36,051	85,053	62,064	18,673	110,987	62,112	374,940	30,979	41	405,960	340,401
Telephone	13,931	13,875	11,806	4,711	66,485	13,180	123,988	57,463	-	181,451	204,861
Internet maintenance	-	722	1,265	386	2,317	4,574	9,264	10,260	12,075	31,599	-
Insurance	54,057	131,930	-	-	86,008	49,262	321,257	220,997	-	542,254	772,387
Travel and transportation	3,312	2,822	14,405	-	10,726	1,721	32,986	80,735	893	114,614	200,590
Equipment purchase/rental	84,916	84,783	73,281	13,475	192,131	41,795	490,381	19,971	680	511,032	990,494
Printing/postage/subscriptions	-	3,312	856	360	83,296	2,766	90,590	5,483	5,079	101,152	154,336
Promotion/public relations/advertising (Note 2L)	-	175	-	-	-	4,500	4,675	46,822	50,951	102,448	188,511
Staff training/conferences	1,604	10,417	9,030	-	36,104	4,716	61,871	75,263	39,732	176,866	68,667
Interest and bank fees	-	-	-	-	-	-	-	47,887	-	47,887	66,489
Depreciation and amortization (Note 5)	-	-	-	-	-	-	-	31,892	-	31,892	49,323
Bad debt expense	-	-	-	-	-	-	-	-	-	-	150,636
Miscellaneous	-	68	-	-	140	-	208	187,633	28,981	216,822	137,981
SUBTOTAL	6,205,706	4,372,101	5,456,701	682,570	24,889,164	7,735,230	49,341,472	5,912,326	1,076,220	56,330,018	47,054,435
Less: Cost of direct benefits to donors	-	-	-	-	-	-	-	-	47,062	47,062	-
TOTAL EXPENSES	$ 6,205,706	$ 4,372,101	$ 5,456,701	$ 682,570	$ 24,889,164	$ 7,735,230	$ 49,341,472	$ 5,912,326	$ 1,029,158	$ 56,282,956	$ 47,054,435

CHINESE-AMERICAN PLANNING COUNCIL, INC.
PARENT - ONLY FINANCIAL STATEMENTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	For the Year Ended June 30, 2022									
	Program Services							Supporting Services		
	Early Childcare Services	School-Age Services	Youth Services	Workforce Services	Community Services	Senior Citizen Services	Total	Management and General	Fundraising	Total 2022
Salaries	$ 3,097,782	$ 2,496,203	$ 2,151,712	$ 403,264	$ 9,545,396	$ 3,651,316	$ 21,345,673	$ 2,540,471	$ 478,865	$ 24,365,009
Payroll taxes and fringe benefits	695,507	396,139	479,600	111,905	2,334,857	688,955	4,706,963	594,320	155,779	5,457,062
Total Personnel Costs	3,793,289	2,892,342	2,631,312	515,169	11,880,253	4,340,271	26,052,636	3,134,791	634,644	29,822,071
Food and food related supplies	243,891	43,335	98,813	-	94,573	609,059	1,089,671	15,283	11,934	1,116,888
Other program supplies	167,453	189,728	256,099	21,149	302,333	79,070	1,015,832	-	-	1,015,832
Client contractual and other services	-	-	80,608	-	4,971,139	2,860	5,054,607	-	-	5,054,607
Participant expenses	28,116	51,735	84,303	1,828	758,097	28,570	952,649	-	-	952,649
Accounting fees	10,369	-	-	-	36,792	-	47,161	74,748	-	121,909
Legal fees	-	-	-	-	-	-	-	33,498	-	33,498
Consultant fees	-	-	-	-	-	-	-	263,181	59,759	322,940
Payroll/client billing preparation	28,754	-	-	-	26,967	-	55,721	286,284	-	342,005
Rent and real estate taxes (Note 8)	1,346,624	-	185,679	25,875	1,088,468	1,070,513	3,717,159	549,871	21,806	4,288,836
Utilities	48,258	48	35,974	7,515	76,981	23,504	192,280	21,247	9,264	222,791
Building maintenance and repairs	79,465	-	28,881	7,115	83,104	206,798	405,363	16,638	13,732	435,733
Supplies	58	11,461	40,817	2,090	231,878	39,671	325,975	10,448	3,978	340,401
Telephone	14,270	12,983	13,832	3,197	62,487	14,965	121,734	61,085	22,042	204,861
Insurance	65,740	91,553	-	-	62,026	65,762	285,081	487,306	-	772,387
Travel and transportation	11	4,595	125,429	-	21,169	15,616	166,820	31,903	1,867	200,590
Equipment purchase/rental	51,903	111,670	145,658	45,949	373,655	107,411	836,246	142,925	11,323	990,494
Printing/postage/subscriptions	-	2,890	11,976	-	100,513	1,217	116,596	27,718	10,022	154,336
Promotion/public relations/advertising (Note 2L)	83	-	-	2,907	161,877	2,855	167,722	20,669	120	188,511
Staff training/conferences	2,298	6,320	-	-	28,499	3,278	40,395	28,072	200	68,667
Interest and bank fees	-	-	562	-	-	87	649	65,840	-	66,489
Depreciation and amortization (Note 5)	2,421	-	-	-	1,791	3,128	7,340	41,983	-	49,323
Bad debt expense	-	-	-	-	-	-	-	150,636	-	150,636
Miscellaneous	-	-	-	-	9,037	-	9,037	119,723	9,221	137,981
TOTAL EXPENSES	$ 5,883,003	$ 3,418,660	$ 3,739,943	$ 632,794	$ 20,371,639	$ 6,614,635	$ 40,660,674	$ 5,583,849	$ 809,912	$ 47,054,435

CHINESE-AMERICAN PLANNING COUNCIL, INC.
PARENT - ONLY FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 19,718,924	$ 45,268,214
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	-	150,636
Loss from property and equipment disposal	-	185,971
Depreciation and amortization	31,892	49,323
Net realized and unrealized (gain) loss	(10,931)	3,481
Non-cash adjustment on operating leases	(18,361,677)	-
Subtotal	1,378,208	45,657,625
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Government grants and contracts receivable	914,918	(2,240,392)
Contributions and accounts receivable	351,587	(581,904)
Due from related parties, net	(6,633,237)	143,433
Prepaid expenses and deposits	(281,550)	(334,017)
Increase or (decrease) in liabilities:		
Accounts payable and accrued expenses	37,396	280,613
Accrued payroll taxes and benefits	1,430,486	(941,284)
Refundable advances	1,425,041	453,355
Deferred rent	(969,258)	85,199
Operating lease liability	19,361,302	-
Net Cash Provided by Operating Activities	17,014,893	42,522,628
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(33,350)	(46,120)
Purchase of investments	(9,230)	-
Proceeds from sale of investments	236,629	(35,418)
Repayment of note receivable	510,000	-
Net Cash Provided by (Used in) Investing Activities	704,049	(81,538)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of line of credit	-	(1,200,000)
Net Cash Used in Financing Activities	-	(1,200,000)
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	17,718,942	41,241,090
Cash, cash equivalents and restricted cash - beginning of year	47,917,840	6,676,750
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 65,636,782	$ 47,917,840
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 47,887	$ 66,489

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-American, immigrant and low-income communities.

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

- Chinese-American Planning Council Home Attendant Program, Inc.("HAP")
- CPC Home Attendant Program Holding ("HAPH")
- CPC Tenant and Building Services ("TBS")
- The Chinatown Planning Council Housing Development Fund ("HDFC")
- Nan Shan Local Development Corporation ("NSLDC")
- Chinese-American Tribeca Center, Inc.("CTCI")
- CPC One ("CPCO")
- CPC Headquarters, Inc.
- CPC Norfolk Senior Housing Development Fund Corporation ("CPC Norfolk")
- CPC Norfolk Senior, Inc.
- CPC Brooklyn, Inc.
- CPC Suffolk Housing Development Fund Corporation ("CPC Suffolk")
- 16 Dutch, LLC
- Hong Ning LLC
- 16 Dutch Housing Development Fund Corp. ("16 Dutch")
- Chinatown Neighborhood Local Development Corporation ("LDC")
- CPC Queens Nan Shan Senior Center, Inc.
- Asian American Housing Management Company, Inc.
- CPC Longevity Senior Center, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of Accounting*** - The accompanying financial statements of CPC have been prepared on the accrual basis of accounting. CPC adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying financial statements include the Parent-Only financial statements for CPC as of and for the years ended June 30, 2023 and 2022. U.S. GAAP requires that all ownership interests in wholly owned subsidiaries be accounted for under the equity method of accounting when presenting parent-only financial statements. CPC's parent-only financial statements do not include the net assets of a subsidiary amounting to approximately $12.4 million and $7.4 million as of June 30, 2023 and 2022, respectively. CPC's parent-only financial statements do not include the increase in net assets of the equity method investment amounting to approximately $5.1 million each for the years ended June 30, 2023 and 2022.

B. ***Basis of Presentation*** - CPC maintains 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 CPC's operations. Board designated net assets consist of net assets whose use has been designated by the Board for the Community Services Program (Note 10A).

   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 statements of activities as net assets released from restrictions. Net assets with donor restrictions also include net assets restricted perpetually by the donor.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ***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 that can be used for operating purposes. Restricted cash of $18,325,346 consists of grants received from Hong Ning LLC that are restricted to building maintenance needs of Hong Ning LLC or HDFC resident social services needs and are subject to Housing Preservation and Development “HPD” approval on drawdown.

D. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows as of June 30:

	2023	2022
Cash and cash equivalents	$ 47,311,436	$ 29,592,494
Restricted cash:		
Restricted usage of mortgage (HPD advance approval)	18,325,346	18,325,346
Total	$ 65,636,782	$ 47,917,840

E. ***Government Grants and Contracts*** - CPC 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 Financial Accounting Standards Board (“FASB”) 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. As of June 30, 2023 and 2022, CPC was awarded conditional grants and contracts from government agencies in the aggregate amounts of $100,999,814 and $107,386,376, respectively, that have not been recorded in the accompanying 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 CPC may be required to return the funds already remitted.

F. ***Allowance for Doubtful Accounts*** - CPC 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, 2023 and 2022, CPC determined that $0 and $15,000, respectively, was necessary for government grants and contracts receivable, and accounts receivable.

G. ***Investments and Fair Value Measurement*** - Investments are recorded at fair value, except for certificate of deposits which are recorded at costs. 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. CPC follows the policy of capitalizing all acquisitions in excess of $5,000 with a useful life of 5 years or more. Items of furniture and equipment, where title is held by the granting agency, are expensed when purchased.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. ***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 statements of financial position prior to the adoption of FASB ASU 2016-02, *Leases*, (Topic 842) as of July 1, 2022 (See Note 2N).

J. ***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 support with donor restrictions 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 statements 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.

K. ***Program Service Revenue*** - Program service revenue is recognized and recorded at the time a service is performed. Such services include emergency shelters and transitional shelter services. 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 CPC 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. CPC 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, 2023 and 2022. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. CPC determines the transaction price based on established rates and contracts for services provided.

Program service revenue for the years ended June 30 consists of revenues for the following programs:

	2023	2022
Community Services	$ 3,399,435	$ 3,190,666
Early Childcare Services	488,564	478,128
Senior Services	583,616	439,410
School-Age Services	180,722	224,700
Youth Services	121,239	42,750
	$ 4,773,576	$ 4,375,654

L. ***Functional Allocation of Expenses*** - The costs of program and supporting services activities have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The 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.

M. ***Advertising Expenses*** - Advertising costs are charged to operations when incurred. Advertising expenses for the years ended June 30, 2023 and 2022 amounted to $102,448 and $188,511, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. ***Use of Estimates*** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

O. ***Recent Accounting Pronouncements*** - CPC adopted FASB ASU 2016-02, *Leases* (Topic 842) during the year ended June 30, 2023. The ASU requires organizations that lease assets to recognize the present value of the assets and liabilities for the rights and obligations created by those leases. CPC adopted Topic 842 as of July 1, 2022 as the initial adoption and utilized all of the available practical expedients, which required the recognition of lease assets and liabilities as of that date. As of July 1, 2022, the assets amounted to $20,951,750 and lease obligations amounted to $21,921,007. The adoption of Topic 842 had no effect on the change in net assets as previously reported.

P. ***Reclassifications*** - Certain items in the June 30, 2022 financial statements have been reclassified to conform to the June 30, 2023 presentation. Such reclassifications had no impact on net assets previously reported.

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 the statements of financial position date, comprise the following as of June 30:

	2023	2022
Cash and cash equivalents	$ 47,311,436	$ 29,592,494
Government grants and contracts receivable, net	12,918,907	13,833,825
Accounts receivable, net	642,472	994,059
Investments	3,874,324	4,090,792
Total financial assets	67,747,139	48,511,170
Less: Investments - Custodial funds	4,135,470	3,820,053
Less: Net assets designated by the Board	207,418	207,418
Less: Net assets with donor restrictions	25,651,226	24,308,821
	$ 37,753,025	$ 20,174,878

As part of CPC'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, CPC invests cash in excess of daily requirements in money market accounts. In addition, CPC has a line of credit of $4,000,000 with a financial institution which can be drawn upon if needed (see Note 7).

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

In determining fair value, CPC 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.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

- 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, equities and mutual funds 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.

The following are major categories of investments measured at fair value categorized by the fair value hierarchy as of June 30, 2023:

	Level 1	Total
Investments measured at fair value:		
Money market funds	$ 852,128	$ 852,128
Equities	21,550	21,550
Mutual funds	1,983	1,983
	$ 875,661	875,661
Investments measured at cost:		
Certificates of deposits		2,998,663
Total		$ 3,874,324

The following are major categories of investments measured at fair value categorized by the fair value hierarchy as of June 30, 2022:

	Level 1	Total
Investments measured at fair value:		
Money market funds	$ 821,910	$ 821,910
Equities	33,590	33,590
	$ 855,500	855,500
Investments measured at cost:		
Certificates of deposits		3,235,292
Total		$ 4,090,792

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 years ended June 30:

	2023	2022
Interest and dividends	$ 1,335,034	$ 108,168
Net realized and unrealized gain (loss)	10,931	(3,481)
Net investment income	$ 1,345,965	$ 104,687

NOTE 5 – PROPERTY AND EQUIPMENT

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

	2023	2022	Estimated Useful Lives
Leasehold improvements	$ 110,960	$ 94,360	5 years or lease term
Equipment	76,858	60,108	3 -5 years
Furniture and fixtures	30,227	30,227	5 years
Computer software	95,881	95,881	3 years
Total Depreciable Assets	313,926	280,576	
Less: Accumulated depreciation and amortization	(232,649)	(200,757)	
Total	$ 81,277	$ 79,819	

For the years ended June 30, 2023 and 2022, depreciation and amortization expense amounted to $31,892 and $49,323, respectively. During the year ended June 30, 2022, CPC disposed of fixed assets with costs of $654,529 and accumulated depreciation of $468,558, resulting in a loss of $185,971 from the disposal.

NOTE 6 – NOTE RECEIVABLE

As of June 30, 2022, CPC had a $510,000 note receivable from 110 Fulton Limited Partnership, the management company of 16 Dutch. The note bore interest at a rate of 5% compounded quarterly and expired on February 28, 2021. The note was repaid in full during 2023 upon the sale of 16 Dutch.

NOTE 7 – LINE OF CREDIT

CPC 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. CPC had no amounts due under the line of credit for the years ended June 30, 2023 and 2022.

NOTE 8 – LEASES

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 give a three-month advance notice regarding any anticipated changes to the agreement. Rent expense for the years ended June 30, 2023 and 2022 was $334,800 and $447,684, respectively.

In addition, CPC leases and operates day care centers in different locations in New York City and entered into multiple facilities and equipment operating lease agreements that expire at various dates through July 2040. CPC includes in the determination of the Right-of-Use ("ROU") assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

As disclosed in Note 2N, CPC adopted FASB ASU 2016-12 as of July 1, 2022, operating leases had no impact to the prior year statement of financial position or its change in net assets. Comparative information provided in the following paragraphs was determined using the accounting principles in effect as of and for the year ended June 30, 2022 (i.e., ASC 840). No comparative information is provided for the amounts reported on the statement of financial position as of June 30, 2022 since CPC used the modified retrospective method of transition that does not require restating the prior period.

As of June 30, 2023, the ROU asset had a balance of $18,361,677, as shown in the statement of financial position and the lease liability totaled $19,361,302, as shown in the statement of financial position. The ROU asset and lease liability were calculated utilizing the risk-free discount rate of 3.09%.

NOTE 8 – LEASES (Continued)

Total operating lease costs for the years ended June 30, 2023 and 2022 were $3,427,236 and $3,841,154, respectively. Total cash paid by CPC in the determination of the lease liability was $3,130,368 for the year ended June 30, 2023. For the year ended June 30, 2023, the weighted average of the remaining lease term is ten years, and the weighted average discount rate is 3.09%.

Future minimal rental payments under these leases for the years ending subsequent to June 30, 2023 are as follows:

2024	$ 3,191,583
2025	3,253,599
2026	2,835,188
2027	1,838,609
2028	1,549,656
Thereafter	10,180,712
	22,849,347
Less: Present value discount	(3,488,045)
Present value of lease liability	$ 19,361,302

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. ***Contingent Liabilities***

CPC 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 CPC. 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.

B. ***Third-Party Contingencies***

Grants and revenues from services rendered are subject to audit by government agencies. Until such audits are completed and final settlements reached, there exists a contingency to refund any amount in excess of allowable costs. Management is of the opinion that no material liability would result from such audits.

C. ***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 $1,925,300 and $1,213,268, respectively, as of June 30, 2023 and 2022, and is included in accrued payroll and benefits on the accompanying statements of financial position.

Activity of the accrued employee health claims for the years ended June 30 is below:

	2023	2022
Balance, beginning of year	$ 1,213,268	$ 891,579
Claim estimate	3,072,983	2,927,386
Claims and expenses paid	(2,360,951)	(2,605,697)
Balance, end of year	$ 1,925,300	$ 1,213,268

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

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

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.

D. ***Income Tax***

CPC believes it had no uncertain tax positions as of June 30, 2023 and 2022 in accordance with FASB ASC Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

E. ***Loan Guarantee***

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. The principal balance outstanding on the mortgage as of June 30, 2023 was $8,551,479. CPC has not recorded a liability related to this guarantee.

NOTE 10 – NET ASSETS

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

In 2007 the CPC Board designated $600,000, that has been 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 both June 30, 2023 and 2022, the balance of these Board designated net assets 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:

	2023	2022
Subject to expenditures for specified purpose and (or) passage of time:		
Open Door Senior Center	$ 3,286,912	$ 3,190,731
Nan Shan Senior Center	666,473	671,638
Chinatown Senior Center	121,726	119,711
Senior Citizen Centers - General	284,977	272,126
Unappropriated endowment earnings	121,009	87,285
Affordable housing (subject to HPD approval)	18,325,346	18,325,346
School-Age Services	86,803	208,950
Youth Services	531,722	114,803
Workforce Services	150,616	120,000
Community Services	1,155,288	368,850
Older Adults	177,211	-
Other Services	70,875	157,113
Subtotal	24,978,958	23,636,553
Endowment principal held in perpetuity:		
Endowment funds	672,268	672,268
	$ 25,651,226	$ 24,308,821

NOTE 10 – NET ASSETS (Continued)

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

	2023	2022
Open Door Senior Center	$ 21,975	$ 47,300
Nan Shan Senior Center	14,627	14,200
Chinatown Senior Center	12,370	14,877
Early Childcare Services	1,101	-
School-Age Services	125,447	43,050
Youth Services	521,236	290,000
Workforce Services	39,484	-
Community Services	1,557,219	1,007,156
Older Services	79,968	-
Other Services	95,016	2,556,641
Subtotal	$ 2,468,445	$ 3,973,224

NOTE 11 – ENDOWMENT FUNDS

CPC'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.

CPC 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, CPC 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 CPC in a manner consistent with the standard of prudence prescribed by NYPMIFA.

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

CPC 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.

NOTE 11 – ENDOWMENT FUNDS (Continued)

CPC 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, CPC 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. CPC expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 5% annually. This is consistent with CPC's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Changes in endowment funds for the year ended June 30, 2023 are as follows:

	Endowment Earnings	Endowment Corpus	Total
Investment activity gain	$ 33,724	$ -	$ 33,724
Net change	33,724	-	33,724
Balance, beginning of year	87,285	672,268	759,553
Balance, end of year	$ 121,009	$ 672,268	$ 793,277

Changes in endowment funds for the year ended June 30, 2022 are as follows:

	Endowment Earnings	Endowment Corpus	Total
Investment activity gain	$ 13,733	$ -	$ 13,733
Additions	-	2,000	2,000
Amount appropriated by the Board of Directors	(770)	-	(770)
Net change	12,963	2,000	14,963
Balance, beginning of year	74,322	670,268	744,590
Balance, end of year	$ 87,285	$ 672,268	$ 759,553

Endowment net assets of $793,277 and $759,553 are included with investments on the statements of financial position as of June 30, 2023 and 2022, respectively.

NOTE 12 – CONCENTRATIONS

A. *Credit Risk*

Cash and cash equivalents that potentially subject CPC 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, per insured financial institution. As of June 30, 2023 and 2022, there was $55,484,549 and $51,158,000 of cash, cash equivalents and restricted cash that exceeded FDIC limits, respectively.

NOTE 12 – CONCENTRATIONS (Continued)

B. *Revenue Concentration*

CPC received grants from various government agencies totaling $48,996,047 and $41,649,993, respectively, which represent 64% and 45% of total operating revenue and support during the years ended June 30, 2023 and 2022. For the year ended June 30, 2023, government contracts revenue from three funders represented 63% of total government grants and contracts revenue. Also, for the year ended June 30, 2023, CPC received a contribution from one private donor totaling $15,000,000 which represented 76% of total contributions and private grants. For the year ended June 30, 2022, government contracts revenue from two funders represented 47% of total government grants and contracts revenue.

NOTE 13 – DEFERRED REVENUE

In connection with CPC One'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 developer. In 2021, CPC received a $2,331,998 fit-out allowance, which is recorded as deferred revenue in the accompanying statements of financial position as of June 30, 2023 and 2022.

NOTE 14 – RELATED-PARTY TRANSACTIONS

As of June 30, 2023, NSLDC, Hong Ning LLC, CPC One, CPC Headquarters, Inc., CPC Norfolk and CPC Suffolk owed $11,097,290, $1,037,220, $603,531, $6,927,619, $37,087 and $58,588, respectively, to CPC. CPC owed $288,291 to CTCI. These represent normal operating expenses and advances, which are noninterest-bearing and due on demand.

As of June 30, 2023, HAP has a loan receivable from CPC in the amount of $763,518. The loan bears interest at a rate of 2.5% compounded monthly. Interest income amounted to $32,307 for the year ended June 30, 2023.

CPC, as the parent organization of HAP, receives management and licensing fees from HAP. The total management and licensing fee received for the year ended June 30, 2023, amounted to $3,956,544 and $524,000, and are included under license fee and management fee income, respectively, in the accompanying statements of activities. Outstanding management fee and licensing fee amounted to $83,334 and $722,028, respectively, as of June 30, 2023.

The total management and licensing fee received for the year ended June 30, 2022, amounted to $3,910,121 and $500,000, and are included under license fee and management fee income, respectively, in the accompanying statements of activities. Outstanding management fee and licensing fee amounted to $41,667 and $782,028, respectively, as of June 30, 2022.

As of June 30, 2022, NSLDC, Hong Ning LLC, CPC One and CPC Headquarters, Inc. owed $10,794,386, $1,978,314, $602,599, $524,888 and $823,695, respectively, to CPC. CPC owed $653 and $341,581 to LDC and CTCI, respectively. These represent normal operating expenses and advances, which are noninterest-bearing and due on demand.

As of June 30, 2022, HAP has a loan receivable from CPC in the amount of $1,500,000. The loan bears interest at a rate of 2.5% compounded monthly. Interest expense amounted to $37,578 for the year ended June 30, 2022.

Hong Ning LLC, a subsidiary of TBS was formed in 2022. The HDFC sold its beneficial interests in the Hong Ning Property to Hong Ning LLC on January 20, 2022.The property was refinanced with approval from HUD and HPD. From proceeds of the refinancing, $18,325,346 transferred to CPC from Hong Ning is restricted to building maintenance needs of Hong Ning LLC or HDFC resident social service needs and subject to HPD approval on drawdown. $21,898,107 transferred to CPC from Hong Ning does not require HPD advance approval and may be used to support CPC's general social services mission.

NOTE 15 – PENSION 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 were no pension expenses for the years ended June 30, 2023 and 2022.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through December 1, 2023, the date the financial statements were available to be issued.