CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES

# CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION (Together with Independent Auditors' Report)

## YEARS ENDED JUNE 30, 2022 AND 2021

# CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES

## CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

## YEARS ENDED JUNE 30, 2022 AND 2021

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# INDEPENDENT AUDITORS' REPORT

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

### *Opinion*

We have audited the consolidated financial statements of Chinese-American Planning Council, Inc. ("CPC") and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chinese-American Planning Council, Inc. and Affiliates as of June 30, 2022, 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.

### *Basis for Opinion*

We conducted our audit 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 Consolidated Financial Statements section of our report. We are required to be independent of Chinese-American Planning Council, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Report on 2021 Financials Statements*

The accompanying consolidated financial statements of Chinese-American Planning Council, Inc. and Affiliates as of and for the year ended June 30, 2021, were audited by another auditor whose report dated November 30, 2021, expressed an unmodified opinion on those statements.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chinese-American Planning Council, Inc. and Affiliates' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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### *Auditors' Responsibility for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit(s) 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 Chinese-American Planning Council, Inc. and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chinese-American Planning Council, Inc. and Affiliates' 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.

### *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 24 and 25 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. 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
December 1, 2022

# CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
## AS OF JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents (Notes 2D, 5 and 15A) | $ 72,373,689 | $ 44,458,381 |
| Cash and cash equivalents held for HRA contracts (Notes 2D) | 11,875,438 | 12,482,817 |
| Restricted cash (Note 2D) | 27,208,662 | 198,619 |
| Government grants and contracts receivable, net (Notes 2E and 2F) | 13,847,434 | 11,600,113 |
| Accounts receivable, net (Note 2F) | 29,110,328 | 22,930,937 |
| Prepaid expenses and deposits (Note 2I) | 3,885,211 | 2,413,652 |
| Investments (Notes 2G and 4) | 855,500 | 823,563 |
| Notes receivable (Note 7) | 983,000 | 983,000 |
| Property and equipment, net (Notes 2H and 6) | 31,381,228 | 30,147,410 |
| **TOTAL ASSETS** | $ 191,520,490 | $ 126,038,492 |
| **LIABILITIES** | | |
| Accounts payable and accrued expenses | $ 5,279,386 | $ 6,870,525 |
| Accrued payroll and benefits (Notes 11D and 11F) | 31,933,417 | 29,054,546 |
| Refundable advance (Note 2E) | 587,554 | 134,199 |
| Due to funding sources (Note 11E) | 25,601,663 | 20,021,262 |
| Deferred revenue (Note 10) | 2,431,415 | 2,331,998 |
| Deferred rent (Notes 2K, 2L,10 and 11A) | 448,394 | 5,456,397 |
| Mortgages payable (Note 9) | 68,902,471 | 12,196,446 |
| Line of credit (Note 8) | - | 1,200,000 |
| **TOTAL LIABILITIES** | 135,184,300 | 77,265,373 |
| **COMMITMENTS AND CONTINGENCIES** (Note 11) | | |
| **NET ASSETS** | | |
| Without donor restrictions (Note 2C): | | |
| Available for operations | 50,145,297 | 41,290,702 |
| Board Designated (Note 12A) | 207,418 | 207,418 |
| Total without donor restrictions | 50,352,715 | 41,498,120 |
| With donor restrictions (Notes 2C, 12B and 13) | | |
| Restricted for time and purpose | 5,311,207 | 6,604,731 |
| Perpetual in nature | 672,268 | 670,268 |
| Total with donor restrictions | 5,983,475 | 7,274,999 |
| **TOTAL NET ASSETS** | 56,336,190 | 48,773,119 |
| **TOTAL LIABILITIES AND NET ASSETS** | $ 191,520,490 | $ 126,038,492 |

## CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
## CONSOLIDATED STATEMENTS OF ACTIVITIES
## FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

| | For the Year Ended June 30, 2022 | | | For the Year Ended June 30, 2021 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| **REVENUE:** | | | | | | |
| Government grants and contracts (Notes 2E and 15B) | $ 39,971,597 | $ - | $ 39,971,597 | $ 38,041,444 | $ - | $ 38,041,444 |
| Program service fee (Notes 2N and 15B) | 196,837,298 | - | 196,837,298 | 198,699,145 | - | 198,699,145 |
| Contributions and private grants (Note 2M) | 1,613,598 | 2,667,967 | 4,281,565 | 2,904,356 | 2,521,211 | 5,425,567 |
| Rental revenue (Notes 2L and 10) | 9,030,679 | - | 9,030,679 | 5,253,540 | - | 5,253,540 |
| Net investment income (Note 4) | 90,954 | 13,733 | 104,687 | 100,022 | 18,770 | 118,792 |
| Other income (Note 2E) | 3,336,026 | - | 3,336,026 | 2,234,891 | - | 2,234,891 |
| Net assets released from restrictions (Notes 2C and 12B) | 3,973,224 | (3,973,224) | - | 38,580 | (38,580) | - |
| **TOTAL REVENUE** | 254,853,376 | (1,291,524) | 253,561,852 | 247,271,978 | 2,501,401 | 249,773,379 |
| **EXPENSES (Note 2O):** | | | | | | |
| Program services | 231,204,364 | - | 231,204,364 | 227,070,981 | - | 227,070,981 |
| Management and general | 13,984,505 | - | 13,984,505 | 19,545,408 | - | 19,545,408 |
| Fundraising | 809,912 | - | 809,912 | 778,247 | - | 778,247 |
| **TOTAL EXPENSES** | 245,998,781 | - | 245,998,781 | 247,394,636 | - | 247,394,636 |
| **CHANGE IN NET ASSETS** | 8,854,595 | (1,291,524) | 7,563,071 | (122,658) | 2,501,401 | 2,378,743 |
| Net Assets - Beginning of Year | 41,498,120 | 7,274,999 | 48,773,119 | 41,620,778 | 4,773,598 | 46,394,376 |
| **NET ASSETS - END OF YEAR** | $ 50,352,715 | $ 5,983,475 | $ 56,336,190 | $ 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, 2022**
**(WITH COMPARATIVE TOTALS FOR 2021)**

| | For the Year Ended June 30, 2022 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Program Services | | | | | | | | | Supporting Services | | | |
| | Early Childcare Services | School-Age Services | Youth Services | Workforce Services | Community Services | Senior Services | Home Attendant Program | Housing and Economic Development | Total | Management and General | Fundraising | Total 2022 | Total 2021 |
| Salaries | $ 3,097,782 | $ 2,496,203 | $ 2,151,712 | $ 403,264 | $ 9,545,396 | $ 3,651,316 | $ 140,725,520 | $ 349,683 | $ 162,420,876 | $ 7,408,523 | $ 478,865 | $ 170,308,264 | $ 170,515,548 |
| Payroll taxes and fringe benefits (Note 14) | 695,507 | 396,139 | 479,600 | 111,905 | 2,334,857 | 688,955 | 40,378,762 | 101,860 | 45,187,585 | 2,173,901 | 155,779 | 47,517,265 | 47,344,566 |
| **Total Personnel Costs** | 3,793,289 | 2,892,342 | 2,631,312 | 515,169 | 11,880,253 | 4,340,271 | 181,104,282 | 451,543 | 207,608,461 | 9,582,424 | 634,644 | 217,825,529 | 217,860,114 |
| 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 | 234,207 |
| Other program supplies | 167,453 | 189,728 | 256,099 | 21,149 | 302,333 | 79,070 | - | - | 1,015,832 | - | - | 1,015,832 | 677,441 |
| Client contractual and other services | - | - | 80,608 | - | 4,971,139 | 2,860 | 25,484 | 66,717 | 5,146,808 | - | - | 5,146,808 | 5,042,338 |
| Participant expenses | 28,116 | 51,735 | 84,303 | 1,828 | 758,097 | 28,570 | - | - | 952,649 | - | - | 952,649 | 3,159,510 |
| Accounting fees | 10,369 | - | - | - | 36,792 | - | - | - | 47,161 | 166,209 | - | 213,370 | 257,317 |
| Legal fees | - | - | - | - | - | - | 1,133,970 | 3,110 | 1,137,080 | 41,447 | - | 1,178,527 | 801,955 |
| Consultant fees | - | - | - | - | - | - | - | 8,318 | 8,318 | 277,955 | 59,759 | 346,032 | 220,553 |
| Management and licensing fees | - | - | - | - | - | - | - | - | - | 194,427 | - | 194,427 | - |
| Payroll/client billing preparation | 28,754 | - | - | - | 26,967 | - | 700,091 | - | 755,812 | 517,865 | - | 1,273,677 | 1,212,508 |
| Rent and real estate taxes | 987,856 | - | 117,521 | - | 1,033,027 | 603,516 | - | 237,558 | 2,979,478 | 493,626 | 21,806 | 3,494,910 | 3,148,112 |
| Home attendant medical exams | - | - | - | - | - | - | 739,829 | - | 739,829 | - | - | 739,829 | 560,035 |
| Utilities | 48,258 | 48 | 35,974 | 7,515 | 76,981 | 23,504 | 111,168 | 593,891 | 897,339 | 27,098 | 9,264 | 933,701 | 746,858 |
| Building maintenance and repairs | 79,465 | - | 28,881 | 7,115 | 83,104 | 206,798 | 18,291 | 746,261 | 1,169,915 | 364,164 | 13,732 | 1,547,811 | 1,249,995 |
| Supplies | 58 | 11,461 | 40,817 | 2,090 | 231,878 | 39,671 | 37,925 | 14,357 | 378,257 | 24,831 | 3,978 | 407,066 | 144,031 |
| Telephone | 14,270 | 12,983 | 13,832 | 3,197 | 62,487 | 14,965 | - | 3,538 | 125,272 | 72,870 | 22,042 | 220,184 | 166,619 |
| Insurance | 65,740 | 91,553 | - | - | 62,026 | 65,762 | - | 346,861 | 631,942 | 1,134,661 | - | 1,766,603 | 1,366,224 |
| Equipment purchase/rental | 51,903 | 111,670 | 145,658 | 45,949 | 373,655 | 107,411 | 36,283 | - | 872,529 | 144,835 | 11,323 | 1,028,687 | 451,216 |
| Printing/postage/subscriptions | - | 2,890 | 11,976 | - | 100,513 | 1,217 | 51,344 | - | 167,940 | 31,371 | 10,022 | 209,333 | 101,832 |
| Promotion/public relations/advertising (Note 2P) | 83 | - | - | 2,907 | 161,877 | 2,855 | 47,500 | - | 215,222 | 23,169 | 120 | 238,511 | 196,344 |
| Staff training/conferences | 2,298 | 6,320 | - | - | 28,499 | 3,278 | - | - | 40,395 | 28,139 | 200 | 68,734 | 100,244 |
| Interest and bank fees | - | - | 562 | - | - | 87 | - | 1,052,456 | 1,053,105 | 86,782 | - | 1,139,887 | 1,081,322 |
| Mortgage defeasance costs (Note 9C) | - | - | - | - | - | - | - | - | - | - | - | - | 1,165,735 |
| Depreciation and amortization (Note 6) | 2,421 | - | - | - | 1,791 | 3,128 | - | 1,300,468 | 1,307,808 | 41,983 | - | 1,349,791 | 1,368,342 |
| Bad debt expense | - | - | - | - | - | - | - | - | - | 322,414 | - | 322,414 | 5,382,666 |
| Acquisition expense | - | - | - | - | - | - | - | 2,320,063 | 2,320,063 | - | - | 2,320,063 | - |
| Miscellaneous | 11 | 4,595 | 125,429 | - | 30,206 | 15,616 | 210,825 | 156,796 | 543,478 | 392,952 | 11,088 | 947,518 | 699,118 |
| **TOTAL EXPENSES** | $ 5,524,235 | $ 3,418,660 | $ 3,671,785 | $ 606,919 | $ 20,316,198 | $ 6,147,638 | $ 184,216,992 | $ 7,301,937 | $ 231,204,364 | $ 13,984,505 | $ 809,912 | $ 245,998,781 | $ 247,394,636 |

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**

| | 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 | 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 | $ 7,819,058 | $ 3,032,675 | $ 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 | 1,865,744 | 640,300 | 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 | 9,684,802 | 3,672,975 | 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 | - | 9,974 | 143,243 | - | - | 234,207 | - | - | 234,207 |
| Other program supplies | 269,514 | 59,007 | 113,411 | 2,449 | 131,283 | 101,777 | - | - | 677,441 | - | - | 677,441 |
| Client contractual and other services | 256,532 | 68,872 | 22,713 | 3,935 | 4,576,681 | 28,120 | 20,573 | 64,912 | 5,042,338 | - | - | 5,042,338 |
| Participant expenses | 1,772,204 | - | 112,359 | 100,000 | 1,172,087 | 2,860 | - | - | 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 | - | 552,159 | 16,976 | - | 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 | 31,664 | 77,894 | 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 | 103,793 | 6,934 | 25,390 | - | 429,738 | 11,967 | 9,511 | 451,216 |
| Printing/postage/subscriptions | 1,500 | 2,072 | 4,603 | - | 46,833 | 19,892 | 10,827 | - | 85,727 | 9,958 | 6,147 | 101,832 |
| Promotion/public relations/advertising (Note 2P) | 8,147 | - | - | - | 125,198 | 200 | 47,500 | - | 181,045 | 15,156 | 143 | 196,344 |
| Staff training/conferences | 42,986 | 1,161 | 5,640 | 295 | 33,904 | 2,620 | - | - | 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 | 32,350 | 11,410 | 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 | $ 16,635,983 | $ 4,205,140 | $ 186,023,185 | $ 5,802,422 | $ 227,070,981 | $ 19,545,408 | $ 778,247 | $ 247,394,636 |

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

# CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
## CONSOLIDATED STATEMENTS OF CASH FLOWS
## FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Change in net assets | $ 7,563,071 | $ 2,378,743 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Bad debt | 322,414 | 5,382,666 |
| Depreciation and amortization | 1,349,791 | 1,368,342 |
| Amortization of debt issuance costs | - | 183,100 |
| Loss from property and equipment disposal | 185,971 | - |
| Net realized and unrealized loss | 3,481 | 2,017 |
| Subtotal | 9,424,728 | 9,314,868 |
| Changes in operating assets and liabilities: | | |
| (Increase) or decrease in assets: | | |
| Government grants receivable | (2,247,321) | (6,366,181) |
| Accounts receivable | (6,501,805) | (3,042,560) |
| Prepaid expenses and deposits | (1,471,559) | (483,423) |
| Tenant accounts receivable | - | (71,370) |
| Increase or (decrease) in liabilities: | | |
| Accounts payable and accrued expenses | (1,591,139) | (3,462,769) |
| Accrued payroll and benefits | 2,878,871 | 5,900,072 |
| Refundable advances | 453,355 | 132,982 |
| Deferred revenue | 99,417 | 2,267,644 |
| Deferred rent | (5,008,003) | 5,456,397 |
| Due to funding sources | 5,580,401 | (5,971,199) |
| **Net Cash Provided by Operating Activities** | 1,616,945 | 3,674,461 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Acquisition of property and equipment | (2,769,580) | (447,423) |
| Purchase of investments | (35,418) | (120,693) |
| **Net Cash Used in Investing Activities** | (2,804,998) | (568,116) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| Proceeds from line of credit | - | 1,200,000 |
| Repayment of line of credit | (1,200,000) | (2,000,000) |
| Proceeds from mortgage | 57,460,000 | - |
| Mortgage principal payments | (753,975) | (8,702,493) |
| **Net Cash Provided by (used in) Financing Activities** | 55,506,025 | (9,502,493) |
| **NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH** | 54,317,972 | (6,396,148) |
| Cash, cash equivalents and restricted cash - beginning of year | 57,139,817 | 63,535,965 |
| **CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR** | $ 111,457,789 | $ 57,139,817 |
| **Supplemental Disclosure of Cash Flow Information:** | | |
| Cash paid during the year for interest | $ 1,139,887 | $ 1,081,322 |

## 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 Holdings, Inc. ("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 on Medicaid who are disabled and/or handicapped.

- **CPC Tenant and Building Services ("TBS"):** TBS is a NYS non-for-profit corporation. TBS and CPC have common Board Members. TBS is the sole member of the following entities:

    - **The Chinatown Planning Council Housing Development Fund Company, Inc. ("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 meet HUD guidelines before acceptance as a qualified tenant. The HDFC has since sold its beneficial interest in the property to another TBS subsidiary, Hong Ning LLC, which will as a result receive all resident rent and deferral subsidy revenue and incur all burdens and expenses of operating the building.

    - **Hong Ning LLC:** Hong Ning LLC was formed in 2022. The primary purpose of Hong Ning LLC is to manage and operate the Hong Ning Senior Residence in accordance with governmental rules and in the best interests of its residents, as the owner of the beneficial interests associated with the Hong Ning building. Hong Ning LLC also supports the mission of CPC.

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

    - **CPC 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 owns and operates a condominium unit 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 to assist in the development & rehabilitation of space and then ownership of space in the form of a condominium unit consisting of 28 affordable apartment units (including one superintendent unit). 16 Dutch sold its beneficial interest to 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 assets of 16 Dutch are the current market value of a note receivable from Fulton and Dutch Limited Partnership, the future reversionary right in Fulton and Dutch's beneficial interests, and 16 Dutch's current legal interest in the condominium unit. However, 16 Dutch awaits expected government approval for the sale of the aforesaid interests in the property and noted.

## NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

- **CPC One LLC ("CPCO"):** The primary purpose of CPCO is to own a condominium unit for CPC's future headquarters. 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 individuals 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.

- **CPC Headquarter, Inc.:** The primary purpose of CPC Headquarter, Inc. was to support CPC and its chartable effects, endeavors and missing and to own a condominium pursuant to the Ground Lease. CPC Headquarter, Inc. changed from its previous name of NYC CPC, Inc. in 2022. CPC is the sole member of CPC Headquarter, Inc.

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

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. Cash and cash equivalents as of June 30, 2022 and 2021 include surplus to be remitted by HAP to The City of New York Human Resources Administration ("HRA") in accordance with prior contract requirements. Restricted cash and cash equivalents consist of restricted deposits and funded reserves from HDFC and Hong Ning LLC, the balance could be made available given the approval of HUD provided that the circumstances required to draw on those reserves are met. The following table provides a reconciliation of cash and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

| | 2022 | 2021 |
|---|---|---|
| Cash and cash equivalents | $ 72,373,689 | $ 44,458,381 |
| Cash and cash equivalents held for | | |
| Home Attendant and Housekeeping ("HA & HK") | 3,215,866 | 3,813,695 |
| Consumer Directed Personal Assistance ("CDPAP") | 8,659,572 | 8,669,122 |
| Restricted cash: | | |
| Restricted usage of mortgage (HPD advance approval, see note 9D) | 18,325,346 | - |
| Restricted Deposits (HDFC & Hong Ning LLC reserves) | 8,883,316 | 198,619 |
| | 39,084,100 | 12,681,436 |
| Total | $ 111,457,789 | $ 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 years ended June 30, 2022 and 2021, CPC was awarded conditional grants and contracts from government agencies in the aggregate amount of $107,386,376 and $63,608,864, respectively, 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 years ended June 30, 2022 and 2021, HAP received approximately $1.2 million in QIVAPP funds, which are included in other income in the consolidated statement of activities.

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, 2022 and 2021, the Organization determined that an allowance of $9,799,624 and $9,824,188, respectively, 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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, NSLDC and Hong Ning LLC and are included in prepaid expenses and deposits on the accompanying consolidated statements 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, NSLDC and Hong Ning LLC, 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 statements 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, and Hong Ning LLC and tenants of the property are operating leases. HDFC and Hong Ning LLC may not increase rental charges without HUD's approval. CPCO and CTCI 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 statements 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 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.

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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2022 and 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 in accordance with HRA contractual terms.

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 years ended June 30, 2022 and 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.

*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 $89,081,226 and $93,754,767, for the years ended June 30, 2022 and 2021, respectively.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 $103,153,772 and $102,254,704, respectively, for the years ended June 30, 2022 and 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 $226,646 and $214,896 for the years ended June 30, 2022 and 2021, respectively.

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

| | 2022 | 2021 |
|---|---|---|
| HAP Home Attendant Program | $ 192,461,644 | $ 196,224,367 |
| Community Services | 3,190,666 | 2,026,869 |
| Early Childcare Services | 478,128 | 320,659 |
| Senior Services | 439,410 | 78,090 |
| School-Age Services | 224,700 | 16,176 |
| Youth Services | 42,750 | 13,483 |
| Other Programs | - | 19,501 |
| | $ 196,837,298 | $ 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 statements of functional expenses. The consolidated statements 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 years ended June 30, 2022 and 2021 amounted to $238,511 and $196,344, respectively.

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.

R. ***Reclassifications*** – Certain items in the June 30, 2021 consolidated financial statements have been reclassified to conform to the June 30, 2022 presentation. These changes had no impact on the 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 consolidated statements of financial position date, comprise the following:

| | 2022 | 2021 |
|---|---|---|
| Cash and cash equivalents | $ 72,373,689 | $ 44,458,381 |
| Government grants and contracts receivable | 13,847,434 | 11,600,113 |
| Accounts receivable | 29,110,328 | 22,930,937 |
| Investments | 855,500 | 823,563 |
| Total financial assets | 116,186,951 | 79,812,994 |
| Less: Cash and cash equivalents – custodial funds | 3,860,860 | 4,005,209 |
| Less: Net assets designated by the Board | 207,418 | 207,418 |
| Less: Net assets with donor restrictions | 5,983,475 | 7,274,999 |
| | $ 106,135,198 | $ 68,325,368 |

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 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 8).

## 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, 2022:

| | Level 1 | Total |
|---|---|---|
| Investments: | | |
| Money market funds | $ 821,910 | $ 821,910 |
| Equities | 33,590 | 33,590 |
| Total | $ 855,500 | $ 855,500 |

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 years ended June 30:

| | 2022 | 2021 |
|---|---|---|
| Interest and dividends | $ 108,168 | $ 120,809 |
| Net realized and unrealized loss | (3,481) | (2,017) |
| Net investment income | $ 104,687 | $ 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 statements of financial position, are as follows as of June 30:

| | 2022 | 2021 |
|---|---|---|
| Cash and cash equivalents – custodial funds | $ 3,860,860 | $ 4,005,209 |
| Prepaid expenses and deposits | 40,807 | 40,807 |
| Total | $ 3,901,667 | $ 4,046,016 |

## NOTE 6 – PROPERTY AND EQUIPMENT, NET

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

| | 2022 | 2021 | Estimated Useful Lives |
|---|---|---|---|
| Land | $ 1,428,183 | $ 1,428,183 | |
| Leasehold improvements | 290,484 | 482,652 | 5 years or lease term |
| Building and building improvement | 46,072,442 | 45,902,004 | 40 years |
| Equipment | 407,134 | 482,860 | 3 -5 years |
| Furniture and fixtures | 1,102,011 | 1,040,965 | 5 years |
| Vehicles | - | 50,344 | 3 years |
| Computer software | 27,861 | 296,884 | 3 years |
| Construction in progress | 2,472,627 | 1,799 | |
| Total Depreciable Assets | 51,800,742 | 49,685,691 | |
| Less: Accumulated depreciation and amortization | (20,419,514) | (19,538,281) | |
| Total | $ 31,381,228 | $ 30,147,410 | |

For the years ended June 30, 2022 and 2021, depreciation and amortization expense amounted to $1,349,791 and $1,368,342, respectively. During the year ended June 30, 2022, the Organization disposed fixed assets with cost of $654,529 and accumulated depreciation of $468,558, resulting in a loss of $185,971 from the disposal.

## NOTE 7 – NOTES RECEIVABLE

As of both June 30, 2022 and 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, 2022 and 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, 2022 and 2021 was $0 and $1,200,000, respectively.

## NOTE 9 – MORTGAGES PAYABLE

*A.* ***NSLDC:*** In April 2018, NSLDC obtained a mortgage in the amount of $9,500,000 from Bank of Hope. 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, 2022 and 2021, the outstanding balance was $8,883,836 and $9,054,289, respectively.

*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 HSBC 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, 2022 and 2021, the outstanding principal was $2,909,405 and $3,142,157, respectively. The loan is collateralized by the land and building. As of June 30, 2022, CTCI was in compliance with the debt covenants on the mortgage.

## NOTE 9 – MORTGAGES PAYABLE (Continued)

*C.* ***Hong Ning LLC:*** In 2022, Hong Ning LLC obtained a $57,400,000 mortgage through refinancing of its property from ORIX Real Estate Capital, LLC. The mortgage bears an interest rate of 2.40% with maturity date of February 1, 2057. $202,349 is due on the first day of each month beginning on March 1, 2022. As of June 30, 2022, the outstanding balance was $57,109,230. $18,325,346 of the total net proceeds from the mortgage are restricted to building maintenance needs of Hong Ning LLC or HDFC resident social services needs and subject to HPD approval on drawdown.

As of June 30, 2022, the future scheduled maturities of mortgages payable are as following:

| | |
|---|---|
| 2023 | $ 2,833,670 |
| 2024 | 2,831,415 |
| 2025 | 2,841,986 |
| 2026 | 2,851,861 |
| 2027 | 2,862,275 |
| Thereafter | 54,681,264 |
| Total | $ 68,902,471 |

## 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.

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 statements of financial position as follows:

| | 2022 | 2021 |
|---|---|---|
| Deferred rent asset | $ 7,582,986 | $ 2,527,662 |
| Advances received | (7,100,000) | (7,100,000) |
| Net prepaid (deferred) rent | $ 482,986 | $ (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. In 2021, CPC received $2,331,998 of the fit-out allowance which is recorded as deferred revenue in the accompanying consolidated statement of financial position for the years ended June 2022 and 2021.

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, 2023 through 2027 and through the end of the lease terms (thereafter), are approximately as follows:

| | |
|---|---|
| 2023 | $ - |
| 2024 | - |
| 2025 | - |
| 2026 | 725,000 |
| 2027 | 1,449,996 |
| Thereafter | 491,202,004 |
| 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 years ended June 30, 2022 and 2021 was $447,684 and $352,012, respectively.

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 years ended June 30, 2022 and 2021 $3,841,154 and $3,758,491, respectively. 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 $85,199 and $884,059 as of June 30, 2022 and 2021, respectively.

As of June 30, 2022, minimum annual rental commitments for the remaining terms of CPC's operating lease were as follows:

| | |
|---|---|
| 2023 | $ 3,340,021 |
| 2024 | 3,401,237 |
| 2025 | 3,461,547 |
| 2026 | 3,041,380 |
| 2027 | 1,841,935 |
| Thereafter | 13,179,867 |
| Total | $ 28,265,987 |

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. Until such audits are completed and final settlements reached, there exists a contingency to refund any amount in excess of allowable 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 $1,213,268 and $891,579, respectively as of June 30, 2022 and 2021 and is included in accrued payroll and benefits on the accompanying consolidated statement of financial position.

**NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)**

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

| | 2022 | 2021 |
|---|---|---|
| Balance, beginning of year | $ 891,579 | $ 506,802 |
| Claim estimate | 2,927,386 | 2,979,425 |
| Claims and expenses paid | (2,605,697) | (2,594,648) |
| Balance, end of year | $ 1,213,268 | $ 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***

Due to funding sources amounted to the following at June 30:

| | 2022 | 2021 |
|---|---|---|
| Due to HRA | $ 11,851,418 | $ 12,431,219 |
| Reserve for disallowances | 7,590,043 | 7,590,043 |
| Due to Department of Health | 6,160,202 | - |
| Due to Funding Sources | $ 25,601,663 | $ 20,021,262 |

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, due to HRA consist of:

| | 2022 | 2021 |
|---|---|---|
| Balance from prior years | $ 12,431,219 | $ 12,314,400 |
| 1199 SEIU Global Settlement payment | (592,538) | - |
| Unclaimed salaries adjustment | (37) | - |
| Equity surplus due to HRA | 12,774 | 116,819 |
| | $ 11,851,418 | $ 12,431,219 |

Management established a reserve for potential disallowances as a result of audits conducted by HRA. As of June 30, 2022, 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, 2022, 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 both June 30, 2022 and 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, 2022 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.

## 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 both June 30, 2022 and 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:

| | 2022 | 2021 |
|---|---|---|
| Subject to expenditures for specified purpose and (or) passage of time: | | |
| Open Door Senior Center | $ 3,190,731 | $ 3,186,239 |
| Nan Shan Senior Center | 671,638 | 657,651 |
| Chinatown Senior Center | 119,711 | 130,648 |
| Brooklyn Senior Center | 6,650 | - |
| Senior Citizen Centers - General | 272,126 | - |
| Unappropriated endowment earnings | 87,285 | 74,322 |
| Other services | 963,066 | 2,555,871 |
| Subtotal | 5,311,207 | 6,604,731 |
| Endowment principal held in perpetuity: | | |
| Endowment funds | $ 672,268 | $ 670,268 |
| | $ 5,983,475 | $ 7,274,999 |

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

| | 2022 | 2021 |
|---|---|---|
| Open Door Senior Center | $ 47,300 | $ 8,218 |
| Nan Shan Senior Center | 14,200 | 27,762 |
| Chinatown Senior Center | 14,877 | 1,420 |
| Other services | 3,896,847 | 1,180 |
| Subtotal | $ 3,973,224 | $ 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.

**NOTE 13 – ENDOWMENT FUNDS (Continued)**

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.

Changes in endowment funds for 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 |

**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 $672,268 and $670,268, are included with investments on the consolidated statements of financial position as of June 30, 2022 and 2021, respectively.

**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 years ended June 30, 2022 and 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 $810,128 and $612,043 for the years ended June 30, 2022 and 2021, respectively.

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 years ended June 30, 2022 and 2021, HAP contributed $263,506 and $248,423, respectively, 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 years ended June 30, 2022 and 2021 amounted to $510,456 and $594,056, respectively, 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 | Contributions 2022 | Contributions 2021 | Surcharge Imposed | Effective Date of Collective Bargaining Agreement |
|---|---|---|---|---|---|---|
| 1199 SEIU Home Care Employees Pension Fund | EIN 13-3943904 Plan No. 001 | No | $510,456 | $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, 2021 and did not include 2022 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, 2021. As of December 31, 2020, the PPA Plan Zone status is Green.

## 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, 2022 and 2021, there was approximately $101,299,000 and $42,121,000 of cash, cash equivalents and restricted cash that exceeded FDIC limits, respectively.

*B.* ***Revenue Concentration***

The Organization received grants from various government agencies totaling $41,649,993 and $36,433,373 which represent 16% and 15% of total operating revenue and support during the years ended June 30, 2022 and 2021, respectively.

HAP derives nearly all of its revenue from contractual arrangements with HRA and MCO. For the year ended June 30, 2022, revenue from contracts with HRA and MCO represent 41% and 35%, respectively, of total revenue. As of June 30, 2022, receivables from HRA and MCO contracts represent 78% and 20%, 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 December 1, 2022, the date the financial statements were available to be issued.

**CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES**
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**
**AS OF JUNE 30, 2022**
**(WITH COMPARATIVE TOTALS AS JUNE 30, 2021)**

| | As of June 30, 2022 | | | | | | | | | | | | 2021 Consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | CPC | HAP | NSLDC | CPC-HDFC | CTCI | 16 Dutch | LDC | CPC One | Hong Ning LLC | CPC Headquarters, Inc. | Eliminations | Consolidated Total | Total |
| **ASSETS** | | | | | | | | | | | | | |
| Cash and cash equivalents | $ 32,827,786 | $ 35,263,445 | $ (1,515) | $ 201,455 | $ 1,095,278 | $ - | $ 50,324 | $ 1,985 | $ 2,934,931 | $ - | $ - | $ 72,373,689 | $ 44,458,381 |
| Cash and cash equivalents held for HRA contracts | - | 11,875,438 | - | - | - | - | - | - | - | - | - | 11,875,438 | 12,482,817 |
| Restricted cash | 18,325,346 | - | - | 198,754 | - | - | - | - | 8,684,562 | - | - | 27,208,662 | 198,619 |
| Government grants and contracts receivable | 13,833,825 | - | - | - | - | - | - | - | 13,609 | - | - | 13,847,434 | 11,600,113 |
| Accounts receivable, net | 994,059 | 28,040,930 | 14,713 | - | - | - | - | - | 60,626 | - | - | 29,110,328 | 22,930,937 |
| Prepaid expenses and deposits | 781,289 | 1,311,388 | 28,790 | 43,421 | 10,510 | - | 6,370 | 397,546 | 781,009 | 524,888 | - | 3,885,211 | 2,413,652 |
| Investments | 855,500 | - | - | - | - | - | - | - | - | - | - | 855,500 | 823,563 |
| Notes receivable | 510,000 | - | - | - | - | 473,000 | - | - | - | - | - | 983,000 | 983,000 |
| Due to/from related parties, net | 12,881,648 | 572,666 | (10,794,389) | - | 445,223 | - | 653 | (602,599) | (1,978,314) | (524,888) | - | - | - |
| Property and equipment, net | 79,819 | - | 20,228,650 | - | 4,792,091 | - | - | 7,100,000 | 6,236,234 | - | (7,055,566) | 31,381,228 | 30,147,410 |
| **TOTAL ASSETS** | $ 81,089,272 | $ 77,063,867 | $ 9,476,249 | $ 443,630 | $ 6,343,102 | $ 473,000 | $ 57,347 | $ 6,896,932 | $ 16,732,657 | $ - | $ (7,055,566) | $ 191,520,490 | $ 126,038,492 |
| **LIABILITIES** | | | | | | | | | | | | | |
| Accounts payable and accrued expenses | $ 3,813,875 | $ 1,145,289 | $ 170,794 | $ 57,430 | $ 11,004 | $ - | $ - | $ - | $ 80,994 | $ - | $ - | $ 5,279,386 | $ 6,870,525 |
| Accrued payroll and payroll taxes | 2,461,499 | 29,468,761 | 3,157 | - | - | - | - | - | - | - | - | 31,933,417 | 29,054,546 |
| Refundable advance | 587,554 | - | - | - | - | - | - | - | - | - | - | 587,554 | 134,199 |
| Due to funding sources | - | 25,601,663 | - | - | - | - | - | - | - | - | - | 25,601,663 | 20,021,262 |
| Deferred revenue | 2,331,998 | - | 99,417 | - | - | - | - | - | - | - | - | 2,431,415 | 2,331,998 |
| Deferred (Prepaid) rent | 969,258 | 79,325 | - | - | (117,203) | - | - | (482,986) | - | - | - | 448,394 | 5,456,397 |
| Mortgage payable | - | - | 8,883,836 | - | 2,909,405 | - | - | - | 57,109,230 | - | - | 68,902,471 | 12,196,446 |
| Line of credit | - | - | - | - | - | - | - | - | - | - | - | - | 1,200,000 |
| **TOTAL LIABILITIES** | 10,164,184 | 56,295,038 | 9,157,204 | 57,430 | 2,803,206 | - | - | (482,986) | 57,190,224 | - | - | 135,184,300 | 77,265,373 |
| **NET ASSETS** | | | | | | | | | | | | | |
| Without donor restrictions: | | | | | | | | | | | | | |
| Available for operations | 46,408,849 | 20,768,829 | 319,045 | 386,200 | 3,539,896 | 473,000 | 57,347 | 7,379,918 | (40,457,567) | - | 11,269,780 | 50,145,297 | 41,290,702 |
| Board designated | 207,418 | - | - | - | - | - | - | - | - | - | - | 207,418 | 207,418 |
| Total without donor restrictions | 46,616,267 | 20,768,829 | 319,045 | 386,200 | 3,539,896 | 473,000 | 57,347 | 7,379,918 | (40,457,567) | - | 11,269,780 | 50,352,715 | 41,498,120 |
| With donor restrictions | | | | | | | | | | | | | |
| Restricted for purpose and time | 23,636,553 | - | - | - | - | - | - | - | - | - | (18,325,346) | 5,311,207 | 6,604,731 |
| Perpetual in nature | 672,268 | - | - | - | - | - | - | - | - | - | - | 672,268 | 670,268 |
| Total with donor restrictions | 24,308,821 | - | - | - | - | - | - | - | - | - | (18,325,346) | 5,983,475 | 7,274,999 |
| **TOTAL NET ASSETS** | 70,925,088 | 20,768,829 | 319,045 | 386,200 | 3,539,896 | 473,000 | 57,347 | 7,379,918 | (40,457,567) | - | (7,055,566) | 56,336,190 | 48,773,119 |
| **TOTAL LIABILITIES AND NET ASSETS** | $ 81,089,272 | $ 77,063,867 | $ 9,476,249 | $ 443,630 | $ 6,343,102 | $ 473,000 | $ 57,347 | $ 6,896,932 | $ 16,732,657 | $ - | $ (7,055,566) | $ 191,520,490 | $ 126,038,492 |

See independent auditors' report.

**CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES**
**CONSOLIDATING STATEMENTS OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2022**
**(WITH COMPARTATIVE TOTALS FOR THE YEAR END JUNE 30, 2021)**

| | Year Ended June 30, 2022 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Without Donor Restrictions | | | | | | | | | | | | With Donor Restrictions | | | 2022 Consolidated | 2021 Consolidated |
| | CPC | HAP | NSLDC | CPC-HDFC | CTCI | 16 Dutch | LDC | CPC One | Hong Ning LLC | CPC Headquarters, inc. | Eliminations | Total | CPC | Eliminations | Total | Total | Total |
| **REVENUE:** | | | | | | | | | | | | | | | | | |
| Government grants and contracts | $ 38,048,728 | $ 1,651,922 | $ 245,599 | $ 25,348 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 39,971,597 | $ - | $ - | $ - | $ 39,971,597 | $ 38,041,444 |
| Program service fee | 4,375,654 | 192,461,644 | - | - | - | - | - | - | - | - | - | 196,837,298 | - | - | - | 196,837,298 | 198,699,145 |
| Contributions and private grants | 1,613,598 | - | - | - | - | - | - | - | - | - | - | 1,613,598 | 2,667,967 | - | 2,667,967 | 4,281,565 | 5,425,567 |
| Grants from related party | 21,898,107 | - | - | - | - | - | - | - | - | - | (21,898,107) | - | 18,325,346 | (18,325,346) | - | - | - |
| Rental revenue | - | - | 741,270 | 1,269,987 | 723,959 | - | - | 5,055,324 | 2,761,613 | - | (1,521,474) | 9,030,679 | - | - | - | 9,030,679 | 5,253,540 |
| Licensing fee income | 3,910,121 | - | - | - | - | - | - | - | - | - | (3,910,121) | - | - | - | - | - | - |
| Management fee income | 524,004 | - | - | - | - | - | - | - | - | - | (524,004) | - | - | - | - | - | - |
| Net investment income | 90,954 | - | - | - | - | - | - | - | - | - | - | 90,954 | 13,733 | - | 13,733 | 104,687 | 118,792 |
| Forgiveness of debt | - | - | - | 2,960,004 | - | - | - | - | - | - | (2,960,004) | - | - | - | - | - | - |
| Gain (Loss) from transfer of net property and equipment | - | - | - | (3,950,308) | - | - | - | - | 3,950,308 | - | - | - | - | - | - | - | - |
| Other income | 854,437 | 1,822,110 | 296,915 | 9,900 | 164,255 | - | - | - | 188,409 | - | - | 3,336,026 | - | - | - | 3,336,026 | 2,234,891 |
| Net assets released from restrictions | 3,973,224 | - | - | - | - | - | - | - | - | - | - | 3,973,224 | (3,973,224) | - | (3,973,224) | - | - |
| **TOTAL REVENUE** | 75,288,827 | 195,935,676 | 1,283,784 | 314,931 | 888,214 | - | - | 5,055,324 | 6,900,330 | - | (30,813,710) | 254,853,376 | 17,033,822 | (18,325,346) | (1,291,524) | 253,561,852 | 249,773,379 |
| **EXPENSES:** | | | | | | | | | | | | | | | | | |
| Program services | | | | | | | | | | | | | | | | | |
| Early childcare services | 5,883,003 | - | - | - | - | - | - | - | - | - | (358,768) | 5,524,235 | - | - | - | 5,524,235 | 8,652,286 |
| School-age services | 3,418,660 | - | - | - | - | - | - | - | - | - | - | 3,418,660 | - | - | - | 3,418,660 | 1,899,275 |
| Youth services | 3,739,943 | - | - | - | - | - | - | - | - | - | (68,158) | 3,671,785 | - | - | - | 3,671,785 | 3,253,073 |
| Workforce services | 632,794 | - | - | - | - | - | - | - | - | - | (25,875) | 606,919 | - | - | - | 606,919 | 599,617 |
| Community services | 20,371,639 | - | - | - | - | - | - | - | - | - | (55,441) | 20,316,198 | - | - | - | 20,316,198 | 11,522,970 |
| Senior citizen's services | 6,614,635 | - | - | - | - | - | - | - | - | - | (466,997) | 6,147,638 | - | - | - | 6,147,638 | 4,205,140 |
| COVID-19 services | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | 5,113,013 |
| Home attendant program | - | 184,216,992 | - | - | - | - | - | - | - | - | - | 184,216,992 | - | | - | 184,216,992 | 186,023,185 |
| Housing and economic development | - | - | 1,618,583 | 1,181,347 | 544,966 | - | - | - | 3,957,041 | - | - | 7,301,937 | - | - | - | 7,301,937 | 5,802,422 |
| Total program services | 40,660,674 | 184,216,992 | 1,618,583 | 1,181,347 | 544,966 | - | - | - | 3,957,041 | - | (975,239) | 231,204,364 | - | - | - | 231,204,364 | 227,070,981 |
| Supporting services | | | | | | | | | | | | | | | | | |
| Management and general | 5,583,849 | 12,558,064 | 55,321 | 444,791 | 49,196 | - | - | - | 43,400,856 | - | (48,107,572) | 13,984,505 | - | - | - | 13,984,505 | 19,545,408 |
| Fundraising services | 809,912 | - | - | - | - | - | - | - | - | - | - | 809,912 | - | - | - | 809,912 | 778,247 |
| Total supporting services | 6,393,761 | 12,558,064 | 55,321 | 444,791 | 49,196 | - | - | - | 43,400,856 | - | (48,107,572) | 14,794,417 | - | - | - | 14,794,417 | 20,323,655 |
| **TOTAL EXPENSES** | 47,054,435 | 196,775,056 | 1,673,904 | 1,626,138 | 594,162 | - | - | - | 47,357,897 | - | (49,082,811) | 245,998,781 | - | - | - | 245,998,781 | 247,394,636 |
| **TOTAL CHANGES IN NET ASSETS** | 28,234,392 | (839,380) | (390,120) | (1,311,207) | 294,052 | - | - | 5,055,324 | (40,457,567) | - | 18,269,101 | 8,854,595 | 17,033,822 | (18,325,346) | (1,291,524) | 7,563,071 | 2,378,743 |
| NET ASSETS (DEFICIT) - BEGINNING 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 | - | 7,274,999 | 48,773,119 | 46,394,376 |
| **NET ASSETS - END OF YEAR** | $ 46,616,267 | $ 20,768,829 | $ 319,045 | $ 386,200 | $ 3,539,896 | $ 473,000 | $ 57,347 | $ 7,379,918 | $ (40,457,567) | $ - | $ 11,269,780 | $ 50,352,715 | $ 24,308,821 | $ (18,325,346) | $ 5,983,475 | $ 56,336,190 | $ 48,773,119 |