

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

Consolidated Financial Statements

June 30, 2020 and 2019

## **Independent Auditors' Report**

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

We have audited the accompanying consolidated financial statements of Chinese-American Planning Council, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of operations and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chinese-American Planning Council, Inc. and Affiliates as of June 30, 2020 and 2019, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Emphasis-of-Matter***

As of June 30, 2020 and 2019, the allowance for doubtful accounts is included in Due to HRA on the consolidated statements of financial position. The methodology describing this treatment is discussed in Note 2. Our opinion is not modified with respect to this matter.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 32 to 35 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*PKF O'Connor Davies, LLP*

January 27, 2021

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

### Consolidated Statements of Financial Position

	June 30	
	2020	2019
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents - Note 3	\$ 45,940,172	\$ 37,048,143
Grants and contracts receivable - Note 5	20,959,935	22,744,344
Accounts receivable, net - Note 6	9,178,417	10,868,798
Other receivables	628,961	862,163
Prepaid expenses and deposits - Note 7	1,510,583	531,587
Investments - Note 8	1,606,124	1,175,672
Tenants' security deposits	42,263	41,570
Custodial funds - Note 9	4,000,164	3,840,939
Total Current Assets	83,866,619	77,113,216
Non-Current Assets		
Restricted cash and cash equivalents - Note 4	12,461,381	12,431,778
Other security deposits	4,320	4,320
Notes receivable - Note 21	983,000	983,000
Restricted deposits	708,610	762,032
Property and equipment, net - Note 10	31,068,329	31,233,115
Total Non-Current Assets	45,225,640	45,414,245
	\$ 129,092,259	\$ 122,527,461
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses - Note 11	\$ 32,043,469	\$ 28,966,716
Refundable advances	1,217	25,000
Deferred revenue	74,650	25,585
Other current liabilities	1,827,984	1,448,398
Lines of credit - Note 13	2,000,000	2,500,000
Tenants' security deposits payable	42,263	41,570
Mortgages payable - current portion - Note 15	586,449	3,942,478
Total Current Liabilities	36,576,032	36,949,747
Non-Current Liabilities		
Due to New York City Human Resources Administration ("HRA") - Note 14	18,305,063	18,271,563
Mortgages payable, non-current, net - Note 15	20,129,390	17,295,044
Reserve for disallowance - Note 16	7,687,398	7,687,398
Total Non-Current Liabilities	46,121,851	43,254,005
Total Liabilities	82,697,883	80,203,752
Net Assets - Note 17		
Without donor restrictions	41,620,778	38,126,961
With donor restrictions	4,773,598	4,196,748
Total Net Assets	46,394,376	42,323,709
	\$ 129,092,259	\$ 122,527,461

See notes to the consolidated financial statements

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

### Consolidated Statements of Operations and Change in Net Assets

	For the Year Ended June 30					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>						
Government grants and contracts	\$ 223,547,179	\$ -	\$ 223,547,179	\$ 216,747,557	\$ -	\$ 216,747,557
Contributions and private grants	2,657,933	423,264	3,081,197	2,364,538	103,071	2,467,609
Rental revenue	2,289,018	-	2,289,018	1,732,450	-	1,732,450
Contracted sources	1,873,104	-	1,873,104	2,416,991	33,615	2,450,606
Special events, net of \$108,250 and \$109,655 of costs of direct benefit to donors	472,329	-	472,329	549,359	40,875	590,234
Interest and dividend income	257,754	56,095	313,849	200,045	14,305	214,350
Net unrealized and realized (loss) gain	(4,882)	-	(4,882)	1,673	-	1,673
Other public support	676,956	182,364	859,320	1,112,930	779	1,113,709
Net assets released from restrictions	84,873	(84,873)	-	152,352	(152,352)	-
Total Revenue	231,854,264	576,850	232,431,114	225,277,895	40,293	225,318,188
<b>EXPENSES</b>						
Program Services						
Early childcare services	5,045,851	-	5,045,851	4,825,128	-	4,825,128
School-age services	2,919,872	-	2,919,872	3,292,830	-	3,292,830
Youth services	3,963,397	-	3,963,397	4,456,729	-	4,456,729
Community services	7,149,075	-	7,149,075	6,086,724	-	6,086,724
Workforce services	600,127	-	600,127	333,388	-	333,388
Senior citizens' services	4,538,961	-	4,538,961	4,903,370	-	4,903,370
COVID-19 services	1,170,215	-	1,170,215	-	-	-
Home attendant program	185,711,481	-	185,711,481	177,801,314	-	177,801,314
Housing and economic development	4,724,892	-	4,724,892	4,882,465	-	4,882,465
Total Program Services	215,823,871	-	215,823,871	206,581,948	-	206,581,948
Supporting Services						
Management and general	11,779,601	-	11,779,601	11,120,877	-	11,120,877
Fundraising	723,475	-	723,475	660,689	-	660,689
Total Supporting Services	12,503,076	-	12,503,076	11,781,566	-	11,781,566
Total Expenses	228,326,947	-	228,326,947	218,363,514	-	218,363,514
Change in Net Assets Before Impairment of Note Receivable and HRA Refund	3,527,317	576,850	4,104,167	6,914,381	40,293	6,954,674
Impairment of note receivable - Note 20	-	-	-	(21,446,256)	-	(21,446,256)
Refund due to HRA	(33,500)	-	(33,500)	(10,173)	-	(10,173)
Change in Net Assets	3,493,817	576,850	4,070,667	(14,542,048)	40,293	(14,501,755)
<b>NET ASSETS</b>						
Beginning of year	38,126,961	4,196,748	42,323,709	52,669,009	4,156,455	56,825,464
End of year	\$ 41,620,778	\$ 4,773,598	\$ 46,394,376	\$ 38,126,961	\$ 4,196,748	\$ 42,323,709

See notes to the consolidated financial statements





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

### Consolidated Statement of Cash Flows

	Year Ended June 30	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,070,667	\$ (14,501,755)
Adjustments to reconcile change in net assets to net cash from operating activities		
Impairment of note receivable	-	21,446,256
Bad debt expense	95,703	18,581
Depreciation and amortization	1,372,311	1,351,476
Amortization - debt issuance costs	45,775	45,774
Net realized and unrealized loss (gain)	4,882	(1,673)
Change in operating assets and liabilities		
Grants and contracts receivable	1,784,409	(8,810,821)
Accounts receivable	1,594,678	(2,924,664)
Other receivables	233,202	48,307
Prepaid expenses and deposits	(978,996)	139,408
Custodial funds	(754,150)	(224,002)
Other security deposits	-	(4,320)
Accounts payable and accrued expenses	3,076,753	10,195,132
Refundable advances	(23,783)	(367,510)
Deferred revenue	49,065	25,585
Other current liabilities	379,586	134,849
Due to funding sources	-	(39,546)
Due to HRA	33,500	10,173
Net Cash From Operating Activities	<u>10,983,602</u>	<u>6,541,250</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to restricted deposits	53,422	(85,084)
Notes receivables	-	(510,000)
Net purchase of investments	(435,334)	(23,887)
Purchase of property and equipment	(1,207,525)	(516,773)
Net Cash From Investing Activities	<u>(1,589,437)</u>	<u>(1,135,744)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loans	(567,458)	(422,106)
(Repayments) on lines of credit	(500,000)	(500,000)
Net Cash From Financing Activities	<u>(1,067,458)</u>	<u>(922,106)</u>
Net Change in Cash, Cash Equivalents and Restricted Cash and Cash Equivalents	8,326,707	4,483,400
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>50,830,970</u>	<u>46,347,570</u>
End of year	<u>\$ 59,157,677</u>	<u>\$ 50,830,970</u>
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
Cash paid for interest	<u>\$ 1,094,027</u>	<u>\$ 1,127,103</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents	\$ 45,940,172	\$ 37,048,143
Restricted Cash and Cash Equivalents	12,461,381	12,431,778
Custodial Funds Cash and Cash Equivalents	756,124	1,351,049
	<u>\$ 59,157,677</u>	<u>\$ 50,830,970</u>

See notes to the consolidated financial statements



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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 1. Nature of Organization and Tax Status

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

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

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

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

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

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

- **CPC One, LLC**

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

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

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

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

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

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

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

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### **1. Organization and Tax Status (continued)**

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

- **The Chinatown Planning Council Housing Development Fund Co., Inc. ("CPC-HDFC")**

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

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

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

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

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

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

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

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 2. Summary of Significant Accounting Policies

#### ***Principles of Consolidation***

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

#### ***Basis of Presentation and Use of Estimates***

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

#### ***Change in Accounting Principle***

##### ***Revenue from Contracts with Customers***

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which is a comprehensive new revenue recognition standard that supersedes existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Effective July 1, 2019, CPC-HAP adopted ASU 2014-09 following the modified retrospective method of application to all contracts existing on July 1, 2019. As a result, at the adoption of ASU 2014-09, the majority of what was previously classified as bad debt expense (which amounted to \$1,374,346 for the year ended June 30, 2020) is now reflected as an implicit price concession (as defined in ASU 2014-09) and therefore is included as a reduction to program revenue in the accompanying 2020 consolidated statement of operations and change in net assets. For changes in credit issues not assessed at the date of service, CPC-HAP will prospectively recognize those amounts as bad debt expense. The adoption of ASU 2014-09 did not have a material impact in relation to other applicable revenue activity.

##### ***Recognition of Contributions***

Effective July 1, 2019, the Company adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). This guidance provides a framework for evaluating whether contributions and grants should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no changes in the way the Company recognizes contributions and grants, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis.

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***Change in Accounting Principle (continued)***

##### **Statement of Cash Flows – Restricted Cash**

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows – Restricted Cash* (“ASU 2016-18”), which requires that the consolidated statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The Company adopted ASU 2016-18 for the year ended June 30, 2020. Therefore, amounts generally described as restricted cash and cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statements of financial position to the consolidated statements of cash flows. The Company adopted ASU 2016-18 using a retrospective transition method. Prior period amounts have been reclassified to conform to the current period presentation, resulting in restricted cash and cash equivalents balances that are included with cash and cash equivalents as of the beginning and ending of each period presented in the consolidated statements of cash flow.

#### ***Classification of Net Assets***

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

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

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

#### ***Cash and Cash Equivalents***

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

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

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

CPC-HAP recognizes revenue for personal care services under several fee-for-service agreements with the City of New York as well as other Managed Care Organizations (“MCO”). CPC-HAP records revenue and receivables from contracting agencies based on claims for expense reimbursements and program utilization at contracted rates. Receivables are stated net of an allowance for doubtful accounts, except as noted below for certain New York City Human Resources Administration contracts.

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

Effective July 1, 2019, upon adoption of ASU 2014-09, grants and contracts receivable, accounts receivable and government grants and contracts are reported at the amount that reflects the consideration to which CPC-HAP expects to be entitled to in exchange for providing personal care services. This includes implicit price concessions of approximately \$1,374,000, which would have been previously reported as provision for bad debts on the 2020 consolidated statement of operations and change in net assets.

CPC-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 CPC-HAP’s standard charges. CPC-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, CPC-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 the CPC-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 revenue in the period of change. For the year ended June 30, 2020, 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. Portfolio collection estimates are updated based on collection trends. Subsequent changes that are determined to be the result of an adverse change in the patient’s ability to pay (determined on a portfolio basis, when applicable) are recorded as bad debt expense.

Grants and contracts receivable, accounts receivable, government grants and contracts, and revenue result from health care services provided by CPC-HAP and are reported at the amount that reflects the consideration to which CPC-HAP expects to be entitled in exchange for providing health care. These amounts are due from HRA, MCO and others, and include variable consideration for retroactive revenue adjustments due to settlement of ongoing and future audits, reviews, and investigations.

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

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

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

Effective August 1, 2011, some patients of personal care services became the responsibility of MCO. Accordingly, CPC-HAP executed a contract with the MCO for the provision of such services. Revenues generated from these contracted services totaled \$100,896,414 and \$101,055,835 for the years ended June 30, 2020 and 2019.

##### New York City Human Resources Administration Contracts

CPC-HAP entered into contracts with New York City Human Resources Administration ("HRA") to provide personal care services to Medicaid-eligible disabled individuals, including those who are frail and elderly. Program revenue from such services rendered amounted to \$98,308,816 and \$93,017,887 for the years ended June 30, 2020 and 2019. Some recipients of personal care services are required, pursuant to CPC-HAP's contract with HRA, to pay part of the cost of such services. Revenue generated (referred to as "client surplus income") from such services rendered was \$294,355 and \$276,593 for the years ended June 30, 2020 and 2019.

Certain HRA receivables recorded in the consolidated statements of financial position relate to old HRA contracts that CPC-HAP does not deem to be collectible. Though deemed uncollectible, CPC-HAP reports these receivables at the gross amount in accordance with HRA standards. An allowance of \$5,990,663 related to these gross receivables is included in due to HRA in the consolidated statements of financial position at June 30, 2020 and 2019.

##### ***Government Grants***

Government grants and contracts designated for use in specific activities are recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. Upon termination, the unexpended cash funds received under the terms of the grant provisions revert to the grantor.

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

##### ***Fair Value Measurement***

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

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***Fair Value Measurement (continued)***

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

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

#### ***Investment Valuation***

Investments are carried at fair value.

#### ***Property and Equipment***

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

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

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

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

#### ***Impairment of Long-Lived Assets***

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company records impairment losses on long lived assets used in operations when the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No impairment charges were recognized during the years ended June 30, 2020 and 2019.

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***Conditional Asset Retirement Obligations***

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

#### ***Debt Issuance Costs***

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

#### ***Professional and Similar Liabilities***

CPC-HAP discloses insurance claims and related recoveries on a gross basis and any estimated insurance recovery is reflected as a receivable on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. Professional and workers' compensation liability claims are covered through commercial insurance. At June 30, 2020 and 2019, the liability and related asset of approximately \$1,295,000 and \$4,822,000 related to these claims are not presented in these consolidated financial statements.

#### ***Equity Concept - Due to HRA***

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

#### ***Operating Leases***

Operating leases are classified in accordance with the terms of the underlying agreements. Operating lease payments are charged to rental expense. Deferred rent is recorded when there are material differences between the fixed payment and the rent expense as reported on the straight-line method based on the entire lease term. There was no deferred rent as of June 30, 2020 and 2019.



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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***Contributions and Private Grants***

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

#### ***Rental Revenue***

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

#### ***Investment Income Recognition***

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

#### ***Vacation and Sick Time***

In accordance with the rules set forth in the Company's personnel manual and other union regulations that supplant the rules of the personnel manual, as of June 30, 2020 and 2019, the Company has accrued \$181,953 and \$325,159 of vacation expense in the Company's consolidated financial statements as part of accounts payable and accrued expenses. There was no sick time to be accrued as of June 30, 2020 and 2019.

#### ***Functional Allocation of Expenses***

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

#### ***Reclassification of Prior Year Presentation***

Certain prior year amounts have been reclassified for consistency with the current year presentation.

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***Accounting for Uncertainty in Income Taxes***

The Company recognizes the effect of tax positions only when they are more likely than not to be sustained. Management has determined that the Company had no uncertain tax positions that would require financial statement recognition or disclosure. The Company is no longer subject to examinations by taxing jurisdictions for periods prior to June 30, 2017.

#### ***Advertising Costs***

Advertising costs are expensed when incurred. Advertising expense for the years ended June 30, 2020 and 2019 was \$143,569 and \$220,357.

### 3. Cash and Cash Equivalents

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

	<u>2020</u>	<u>2019</u>
Checking accounts	\$ 38,693,666	\$ 29,937,771
Money market accounts	4,094,502	4,048,012
Short-term certificate of deposit	3,144,504	3,056,360
Petty cash	7,500	6,000
Total	<u>\$ 45,940,172</u>	<u>\$ 37,048,143</u>

### 4. Restricted Cash and Cash Equivalents

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

	<u>2020</u>	<u>2019</u>
Checking accounts	\$ 9,380,113	\$ 9,384,598
Short-term certificates of deposit	<u>3,081,268</u>	<u>3,047,180</u>
Total	<u>\$ 12,461,381</u>	<u>\$ 12,431,778</u>

For the years ended June 30, 2020 and 2019, Home Attendant and Housekeeping contracts ("HA & HK") have restricted cash and cash equivalents of \$3,811,723 and \$3,811,885 and the Consumer Directed Personal Assistance Program ("CDPAP") has restricted cash and cash equivalents of \$8,649,658 and \$8,619,893.

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 5. Grants and Contracts Receivable

Grants and contracts receivable are as follows at June 30:

	<u>2020</u>	<u>2019</u>
Government grants	\$ 20,276,859	\$ 22,502,611
Private foundations	<u>683,076</u>	<u>241,733</u>
Total	<u>\$ 20,959,935</u>	<u>\$ 22,744,344</u>

### 6. Accounts Receivable

Accounts receivable are as follows at June 30:

	<u>2020</u>	<u>2019</u>
Receivables for services provided	\$ 14,392,270	\$ 16,082,651
Allowance for doubtful accounts	<u>(5,213,853)</u>	<u>(5,213,853)</u>
Total	<u>\$ 9,178,417</u>	<u>\$ 10,868,798</u>

### 7. Prepaid Expenses and Deposits

The balances consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Prepaid expenses	\$ 1,296,222	\$ 531,587
Deposits	<u>214,361</u>	<u>-</u>
Total	<u>\$ 1,510,583</u>	<u>\$ 531,587</u>

### 8. Investments

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

	<u>2020</u>	<u>2019</u>
Money market, at cost	\$ 1,011,139	\$ 1,175,672
Bonds (Level 2)	232,914	-
Project investment, at cost	<u>362,071</u>	<u>-</u>
Total	<u>\$ 1,606,124</u>	<u>\$ 1,175,672</u>

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 9. Custodial Funds

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

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 756,124	\$ 1,351,049
Investments	3,203,233	2,442,636
Memorial plots	40,807	47,254
Total	<u>\$ 4,000,164</u>	<u>\$ 3,840,939</u>

### 10. Property and Equipment

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

	<u>2020</u>	<u>2019</u>
Land	\$ 1,428,183	\$ 1,428,183
Construction in progress	-	421,193
Total Non-Depreciable Assets	<u>1,428,183</u>	<u>1,849,376</u>
Depreciable Assets		
Building	45,717,129	44,211,970
Leasehold improvements	367,058	360,672
Equipment	461,584	422,518
Furniture and fixtures	1,021,488	953,547
Vehicles	50,343	50,344
Other assets	192,482	179,907
Total Depreciable Assets	<u>47,810,084</u>	<u>46,178,958</u>
Accumulated depreciation and amortization	<u>(18,169,938)</u>	<u>(16,795,219)</u>
Net depreciable assets	<u>29,640,146</u>	<u>29,383,739</u>
Total	<u>\$ 31,068,329</u>	<u>\$ 31,233,115</u>

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 11. Accounts Payable and Accrued Expenses

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

	<u>2020</u>	<u>2019</u>
Vendor payables	\$ 4,790,910	\$ 3,434,989
Payroll and related taxes	27,252,559	25,252,952
Other	-	278,772
Total	<u>\$ 32,043,469</u>	<u>\$ 28,966,713</u>

### 12. Pension Plans

#### Defined Contribution Plan

CPC-HAP has a defined contribution pension plan ("Plan") for its non-union personal assistants working under CDPAP. Employees become eligible to contribute to the Plan upon completion of the first year of employment. Each year, CPC-HAP decides whether or not it will make a contribution to the Plan. The amount of the contribution is also determined by CPC-HAP. CPC-HAP has no obligation or requirement to make any contributions to the Plan. The employer contributions are fully vested. Total pension expense amounted to \$744,342 and \$691,352 for the years ended June 30, 2020 and 2019.

#### 401 (a) Profit Sharing Plan

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

For the years ended June 30, 2020 and 2019, CPC-HAP contributed \$219,889 and \$181,294, which represents contributions of 6% of eligible employees' salary to the plan.

#### 401(a) Thrift Plan

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

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

**12. Pension Plans (continued)**

Union Plan

All home attendant employees of CPC-HAP that are union members are covered by an employer contributory pension plan administered by the union. CPC-HAP contributes to the 1199 SEIU Home Care Employees Union Pension Fund multiemployer defined benefit pension plan (“Union Plan”). Union pension expense for the years ended June 30, 2020 and 2019 was \$704,406 and \$797,710 and did not represent more than 5% of total contributions to the Union Plan. The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects:

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

As of the date the consolidated financial statements were available to be issued, Form 5500 was available for the plan year ended December 31, 2019, but did not include 2019 plan information. However, the plan’s actuaries have certified that the plan is not endangered, seriously endangered or critical, as those terms are defined in the Pension Protection Act of 2006 for the plan years beginning January 1, 2020 and 2019. As of January 1, 2020 and 2019, the Plan PPA Zone status is Green.

CPC-HAP’s participation in the Union Plan for the years ended June 30, 2020 and 2019 is outlined in the table below.

Pension Fund	Employer Identification Number	Plan Number	Pension Protection Act Zone Status	
			2020	2019
1199 SEIU Home Care Employees Pension Fund	13-3943904	001	Green as of 1/1/2020	Green as of 1/1/2019
Funding Improvement Plan/Rehabilitation Plan	Contributions	Contributions	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
	2020	2019		
Not in endangered or critical status	\$ 704,406	\$797,710	No	3/31/2017

As of June 30, 2020 and 2019, CPC-HAP is in the process of negotiating the extension of the collective bargaining agreement with union members.

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

**13. Lines of Credit**

Lines of credit are as follows as of June 30, 2020 and 2019:

CPC has a line of credit of \$3,000,000 which bears interest at a rate of 5.5% per annum. The line of credit expires annually and is renewable on a yearly basis. CPC's credit agreement contains various restrictive covenants including minimum tangible/net worth. CPC's line of credit balance as of June 30, 2020 and 2019 was \$2,000,000 and \$2,500,000.

CPC-HAP had four separate notes in the amounts of \$8,900,000, \$2,000,000, \$350,000 and \$250,000 for a total line of credit of \$11,500,000 which were closed in August 2019. The line of credit bore interest at prime (3.5%) plus 1%. All borrowings were collateralized by substantially all assets of CPC-HAP.

All borrowings under the lines of credit for CPC and CPC-HAP are collateralized by substantially all assets of CPC and CPC-HAP. Interest expense for CPC's line of credit for the years ended June 30, 2020 and 2019 was \$157,834 and \$204,730.

**14. Due to New York City Human Resources Administration ("HRA")**

	<u>2020</u>	<u>2019</u>
Due to HRA	<u>\$ 18,305,063</u>	<u>\$ 18,271,563</u>

**15. Mortgages Payable**

	<u>Terms</u>	<u>Annual Rate</u>	<u>Monthly Payment</u>	<u>Cash Interest Expense</u>	<u>Balance</u>
One York Street	10 yrs.	2.44%	\$ 26,002	\$ 124,184	\$ 3,374,909 (a)
50 Norfolk Street	10 yrs.	4.11%	44,991	351,664	8,313,316 (b)
133-12 41st Avenue	10 yrs.	4.88%	50,668	460,603	<u>9,210,714 (c)</u>
					20,898,939
					<u>(183,100)</u>
					<u>\$ 20,715,839</u>

(a) On December 1, 2019, CTCI renegotiated their January 16, 2009 mortgage loan to finance the purchase of the property located at One York Street with a bank in the amount of \$3,491,286. As of June 30, 2020, the outstanding principal was \$3,374,909. The loan is collateralized by the land and building.

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

**15. Mortgages Payable (continued)**

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

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

The future scheduled maturities of loans payable are as follows:

	2021	\$ 586,449	
	2022	602,739	
	2023	619,784	
	2024	625,761	
	2025	10,098,659	
	Thereafter	<u>8,365,547</u>	
	Total	20,898,939	
	Less current portion	<u>586,449</u>	
		<u>\$ 20,312,490</u>	
		<u>2020</u>	<u>2019</u>
Mortgage payable - current portion		\$ 586,449	\$ 3,942,479
Mortgage payable - long term portion		<u>20,129,390</u>	<u>17,295,044</u>
Total		<u>\$ 20,715,839</u>	<u>\$ 21,237,523</u>

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

		<u>2020</u>	<u>2019</u>
Application fees	10 years	\$ 16,516	\$ 16,516
Legal fees	10 years	32,500	32,500
Origination fees	10 years	46,500	46,500
Refinancing cost	10 years	20,000	20,000
Consulting fees	10 years	150,000	150,000
Pre-development cost	10 years	155,723	155,723
Miscellaneous	10 years	36,507	36,507
Accumulated amortization	10 years	<u>(274,646)</u>	<u>(228,871)</u>
Unamortized Debt Issuance Cost		<u>\$ 183,100</u>	<u>\$ 228,875</u>



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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 15. Mortgages Payable (continued)

Amortization expense charged to interest was \$45,775 and \$45,774 for the years ended June 30, 2020 and 2019. Amortization of debt issuance costs in the next four years are as follows:

2021	\$ 45,774
2022	45,774
2023	45,774
2024	45,778
	<u>\$ 183,100</u>

### 16. Commitment and Contingencies

#### Leases

CPC leases office space at 150 Elizabeth Street, New York, New York under a verbal month-to-month agreement. It was agreed that the lessor and lessee will give three month advance notice regarding any anticipated changes to the agreement. Rent expense for the years ended June 30, 2020 and 2019 amounted to \$316,206 and \$336,085.

CPC operates day care centers in different locations in New York City and entered into multiple operating lease agreements that expire at various dates through June 2025. Rent expense for the years ended June 30, 2020 and 2019 amounted to \$1,006,312 and \$588,300.

As of June 30, 2020, minimum annual rental commitments for the remaining terms of CPC's operating leases were as follows:

2021	\$ 2,001,233
2022	1,474,439
2023	1,492,674
2024	1,511,539
2025	1,531,054
	<u>\$ 8,010,939</u>

#### Contingent Liabilities

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

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 16. Commitment and Contingencies (*continued*)

#### Contingent Liabilities (*continued*)

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

#### Self-Insurance Reserves

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

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

#### HRA Audits

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

#### Reserve for Disallowance

Management established a reserve for potential disallowances as a result of audits conducted by HRA. As of June 30, 2019 and 2018, HRA completed fiscal audits through fiscal year ended June 30, 2013. The reserve for disallowance is \$7,687,398 as of June 30, 2020 and 2019.

#### HUD Commitment

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

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 17. Net Assets

#### Board Designated Net Assets

In 2007, the CPC Board designated \$600,000 received for early termination of a lease related to the Community Service Program for the costs to be incurred in leasing and renovating a new property for the Community Service Program, as well as to provide for incremental rent expenses. As of June 30, 2020 and 2019, the balance of this board designated net asset was \$207,418. These amounts are included in net assets without donor restrictions.

#### Net Assets with Donor Restrictions

Net assets with donor restrictions consist of endowment funds.

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

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

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

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 17. Net Assets (continued)

#### **Investment Return Objectives, Risk Parameters and Strategies**

The Company 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.

#### **Spending Policy**

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

The composition of and changes in donor-restricted endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

	With Donor Restrictions		2020	With Donor Restrictions		2019
	Temporary in Nature	Perpetual in Nature		Temporary in Nature	Perpetual in Nature	
Endowment net assets, beginning of year	\$ 3,756,325	\$ 440,423	\$ 4,196,748	\$ 3,716,032	\$ 440,423	\$ 4,156,455
Contributions and private grants	371,139	52,125	423,264	103,071	-	103,071
Interest and dividends	56,095	-	56,095	14,305	-	14,305
Other	182,364	-	182,364	75,269	-	75,269
Released from restriction	(84,873)	-	(84,873)	(152,352)	-	(152,352)
Endowment net assets, end of year	<u>\$ 4,281,050</u>	<u>\$ 492,548</u>	<u>\$ 4,773,598</u>	<u>\$ 3,756,325</u>	<u>\$ 440,423</u>	<u>\$ 4,196,748</u>

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

Notes to Consolidated Financial Statements  
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**17. Net Assets (continued)**

***Purpose Restricted Net Assets***

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

	Balance June 30, 2019	Additions	Releases	Balance June 30, 2020
Open Door Senior Center	\$ 3,048,221	\$ 141,887	\$ (46,214)	\$ 3,143,894
Nan Shan Senior Center	659,072	34,784	(33,757)	660,099
Chinatown Senior Center	49,032	80,433	(4,902)	124,563
Youth services	-	37,558	-	37,558
Community services	-	72,289	-	72,289
COVID-19 services	-	242,647	-	242,647
Total	<u>\$ 3,756,325</u>	<u>\$ 609,598</u>	<u>\$ (84,873)</u>	<u>\$ 4,281,050</u>

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

**18. Housing Assistance Payments**

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

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

A 20-year contract, effective August 26, 2014 to August 28, 2034, has been signed and set to automatically renew for additional 2 years beginning on August 26, 2034 subject to all applicable laws and regulations in effect upon expiration.

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

Notes to Consolidated Financial Statements  
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### 19. Concentrations

#### Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and receivables. At times, the Company has cash balances at major financial institutions in excess of Federal Deposit Insurance Corporation's insurance limits. At June 30, 2020 and 2019, the uninsured portions of these balances were \$57,247,536 and \$47,864,782. Receivables are expected to be collected in the normal course of operations. The investment portfolio consists of bonds and money market funds.

CPC-HAP provides program services that are covered by agreements with HRA and MCO's. Gross receivables from these organizations totaled \$29,850,795 and \$34,196,860 as of June 30, 2020 and 2019. The percentages of these receivables are as follows:

	<u>2020</u>	<u>2019</u>
HRA	53%	54%
Client surplus from HRA	9%	7%
MCO	38%	39%
	<u>100%</u>	<u>100%</u>

These receivables are expected to be collected in the normal course of operations.

#### Revenue Concentration

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

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

CPC-HDFC earned approximately 80% of its income in the form of Section 8 subsidies for the years ended June 30, 2020 and 2019. The balance of the rent is received from tenants, many of whom receive public assistance.

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 20. Real Estate Taxes

CPC-HDFC's property has been granted a partial exemption from real estate taxes under Section 577 of the Article of Private Housing Finance Law and City Council Resolution Calendar No. 266. Under the terms of the exemption, the property is subject to annual shelter rent payments which are assessed based on a percentage of contract rents. The annual shelter rent payments will be calculated as the minimum shelter rent tax plus 25% of the amount by which the contract rents in effect for the applicable fiscal year, exceed the contract rents authorized as if the effective date. Provided the shelter rent tax does not exceed the taxes that otherwise would be due in the absence of any form of tax exemption or abatement. Real Estate taxes are capped at 17% of gross potential rent presently in effect.

Shelter rent tax calculations, as resolved by the City of New York, Board of Estimate, amounted to \$289,778 and \$281,863 at June 30, 2020 and 2019. This agreement is set to expire August 26, 2034

### 21. Notes Receivable and Impairment

During 2019, 16 Dutch determined that the value of its note receivable had been impaired and was adjusted accordingly. The value of note receivable is now reported at its net realizable value. As of June 30, 2020 and 2019 the Company has a note receivable from the management of company of 16 Dutch. The balance of the notes receivables are as follows at June 30, 2020 and 2019:

Fulton and Dutch Limited Partnership	\$ 510,000
16 Dutch	<u>473,000</u>
Total	<u>\$ 983,000</u>

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

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 22. Liquidity and Availability of Financial Assets

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 45,940,172	\$ 37,048,143
Restricted cash and cash equivalents	12,461,381	12,431,778
Grants and contracts receivable	20,959,935	22,774,344
Accounts receivable, net	9,178,417	10,868,798
Investments	1,606,124	1,175,672
Custodial funds	<u>4,000,164</u>	<u>3,840,939</u>
	94,146,193	88,139,674
Less:		
Contractual restricted amounts	12,461,381	12,431,778
Allowance recorded in due to HRA (Note 2)	5,990,663	5,990,663
Custodial funds	4,000,164	3,840,939
Net assets with donor restrictions	<u>4,773,598</u>	<u>4,196,748</u>
Total Financial Assets Available Within One Year	<u>\$ 66,920,387</u>	<u>\$ 61,679,546</u>

#### *Liquidity Management*

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

### 23. Subsequent Events Evaluation

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is January 27, 2021.

On August 11, 2020, CPC-HAP received funding from the U.S. Department of Health and Human Services under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") in the amount of \$3,897,256.

The Company's operations and financial performance may be affected by the recent coronavirus outbreak which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, the Company may experience a disruption in operations as well as decline in revenue and support activities. The effects of the outbreak on the Company's business, financial condition and results of operations cannot be determined at this time.

\* \* \* \* \*



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

Supplementary Information

June 30, 2020 and 2019

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

**Consolidating Schedule of Financial Position  
June 30, 2020**

	CPC	CPC-HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	Total	Eliminations	Consolidated
<b>ASSETS</b>										
Current Assets										
Cash and cash equivalents	\$ 5,421,529	\$ 39,071,152	\$ 265,937	\$ 182,121	\$ 949,109	\$ -	\$ 50,324	\$ 45,940,172	\$ -	\$ 45,940,172
Grants and contracts receivable	5,227,252	15,723,360	-	9,323	-	-	-	20,959,935	-	20,959,935
Accounts receivable, net	229,004	8,919,820	22,650	6,943	-	-	-	9,178,417	-	9,178,417
Other receivables	267,167	345,648	-	16,146	-	-	-	628,961	-	628,961
Prepaid expenses and deposits	356,556	883,861	21,729	235,450	6,617	-	6,370	1,510,583	-	1,510,583
Investments	1,606,124	-	-	-	-	-	-	1,606,124	-	1,606,124
Tenants' security deposits	-	-	-	42,263	-	-	-	42,263	-	42,263
Custodial funds	4,000,164	-	-	-	-	-	-	4,000,164	-	4,000,164
Total Current Assets	<u>17,107,796</u>	<u>64,943,841</u>	<u>310,316</u>	<u>492,246</u>	<u>955,726</u>	<u>-</u>	<u>56,694</u>	<u>83,866,619</u>	<u>-</u>	<u>83,866,619</u>
Non-Current Assets										
Restricted cash and cash equivalents	-	12,461,381	-	-	-	-	-	12,461,381	-	12,461,381
Other security deposits	-	-	3,515	-	805	-	-	4,320	-	4,320
Notes receivable	510,000	-	-	-	-	473,000	-	983,000	-	983,000
Restricted deposits	-	-	-	708,610	-	-	-	708,610	-	708,610
Due from related parties	10,177,530	1,518,789	348,612	-	389,687	-	653	12,435,271	(12,435,271)	-
Property and equipment, net	140,207	-	21,260,113	4,510,088	5,157,921	-	-	31,068,329	-	31,068,329
Total Non-Current Assets	<u>10,827,737</u>	<u>13,980,170</u>	<u>21,612,240</u>	<u>5,218,698</u>	<u>5,548,413</u>	<u>473,000</u>	<u>653</u>	<u>57,660,911</u>	<u>(12,435,271)</u>	<u>45,225,640</u>
	<u>\$ 27,935,533</u>	<u>\$ 78,924,011</u>	<u>\$ 21,922,556</u>	<u>\$ 5,710,944</u>	<u>\$ 6,504,139</u>	<u>\$ 473,000</u>	<u>\$ 57,347</u>	<u>\$ 141,527,530</u>	<u>\$ (12,435,271)</u>	<u>\$ 129,092,259</u>
<b>LIABILITIES AND NET ASSETS</b>										
Current Liabilities										
Accounts payable and accrued expenses	\$ 3,461,227	\$ 27,414,647	\$ 25,506	\$ 1,097,161	\$ 44,928	\$ -	\$ -	\$ 32,043,469	\$ -	\$ 32,043,469
Refundable advances	1,217	-	-	-	-	-	-	1,217	-	1,217
Deferred revenue	68,203	-	-	6,447	-	-	-	74,650	-	74,650
Other current liabilities	1,147,481	617,024	-	63,479	-	-	-	1,827,984	-	1,827,984
Lines of credit	2,000,000	-	-	-	-	-	-	2,000,000	-	2,000,000
Tenants' security deposits payable	-	-	-	42,263	-	-	-	42,263	-	42,263
Mortgage payable - current portion	-	-	156,502	197,195	232,752	-	-	586,449	-	586,449
Due to related party	-	953,844	-	-	-	-	-	953,844	(953,844)	-
Total Current Liabilities	<u>6,678,128</u>	<u>28,985,515</u>	<u>182,008</u>	<u>1,406,545</u>	<u>277,680</u>	<u>-</u>	<u>-</u>	<u>37,529,876</u>	<u>(953,844)</u>	<u>36,576,032</u>
Non-Current Liabilities										
Due to New York City Human Resources Administration ("HRA")	-	18,305,063	-	-	-	-	-	18,305,063	-	18,305,063
Due to related parties	-	-	11,481,427	-	-	-	-	11,481,427	(11,481,427)	-
Mortgages payable, non-current, net	-	-	9,054,212	7,933,021	3,142,157	-	-	20,129,390	-	20,129,390
Reserve for disallowance	-	7,687,398	-	-	-	-	-	7,687,398	-	7,687,398
Total Non-Current Liabilities	<u>-</u>	<u>25,992,461</u>	<u>20,535,639</u>	<u>7,933,021</u>	<u>3,142,157</u>	<u>-</u>	<u>-</u>	<u>57,603,278</u>	<u>(11,481,427)</u>	<u>46,121,851</u>
Total Liabilities	<u>6,678,128</u>	<u>54,977,976</u>	<u>20,717,647</u>	<u>9,339,566</u>	<u>3,419,837</u>	<u>-</u>	<u>-</u>	<u>95,133,154</u>	<u>(12,435,271)</u>	<u>82,697,883</u>
Net Assets										
Without donor restrictions	16,483,807	23,946,035	1,204,909	(3,628,622)	3,084,302	473,000	57,347	41,620,778	-	41,620,778
With donor restrictions	4,773,598	-	-	-	-	-	-	4,773,598	-	4,773,598
Total Net Assets	<u>21,257,405</u>	<u>23,946,035</u>	<u>1,204,909</u>	<u>(3,628,622)</u>	<u>3,084,302</u>	<u>473,000</u>	<u>57,347</u>	<u>46,394,376</u>	<u>-</u>	<u>46,394,376</u>
	<u>\$ 27,935,533</u>	<u>\$ 78,924,011</u>	<u>\$ 21,922,556</u>	<u>\$ 5,710,944</u>	<u>\$ 6,504,139</u>	<u>\$ 473,000</u>	<u>\$ 57,347</u>	<u>\$ 141,527,530</u>	<u>\$ (12,435,271)</u>	<u>\$ 129,092,259</u>

See independent auditors' report

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

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

	CPC	CPC-HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	Total	Eliminations	Consolidated
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and cash equivalents	\$ 3,429,124	\$ 31,904,132	\$ 408,620	\$ 374,764	\$ 881,179	\$ -	\$ 50,324	\$ 37,048,143	\$ -	\$ 37,048,143
Grants and contracts receivable	4,290,080	18,444,722	-	9,542	-	-	-	22,744,344	-	22,744,344
Accounts receivable, net	257,306	10,567,522	39,789	4,181	-	-	-	10,868,798	-	10,868,798
Other receivables	514,425	345,748	-	1,990	-	-	-	862,163	-	862,163
Prepaid expenses and deposits	277,634	-	20,059	221,334	6,190	-	6,370	531,587	-	531,587
Investments	1,175,672	-	-	-	-	-	-	1,175,672	-	1,175,672
Tenants' security deposits	-	-	-	41,570	-	-	-	41,570	-	41,570
Custodial funds	3,840,939	-	-	-	-	-	-	3,840,939	-	3,840,939
<b>Total Current Assets</b>	<b>13,785,180</b>	<b>61,262,124</b>	<b>468,468</b>	<b>653,381</b>	<b>887,369</b>	<b>-</b>	<b>56,694</b>	<b>77,113,216</b>	<b>-</b>	<b>77,113,216</b>
<b>Non-Current Assets</b>										
Restricted cash and cash equivalents	-	12,431,778	-	-	-	-	-	12,431,778	-	12,431,778
Other security deposits	-	-	3,515	-	805	-	-	4,320	-	4,320
Notes receivable	510,000	-	-	-	-	473,000	-	983,000	-	983,000
Restricted deposits	-	-	-	762,032	-	-	-	762,032	-	762,032
Due from related parties	9,651,270	1,617,918	470,189	-	437,595	-	653	12,177,625	(12,177,625)	-
Property and equipment, net	120,383	-	21,811,374	3,973,385	5,327,973	-	-	31,233,115	-	31,233,115
<b>Total Non-Current Assets</b>	<b>10,281,653</b>	<b>14,049,696</b>	<b>22,285,078</b>	<b>4,735,417</b>	<b>5,766,373</b>	<b>473,000</b>	<b>653</b>	<b>57,591,870</b>	<b>(12,177,625)</b>	<b>45,414,245</b>
	<b>\$ 24,066,833</b>	<b>\$ 75,311,820</b>	<b>\$ 22,753,546</b>	<b>\$ 5,388,798</b>	<b>\$ 6,653,742</b>	<b>\$ 473,000</b>	<b>\$ 57,347</b>	<b>\$ 134,705,086</b>	<b>\$ (12,177,625)</b>	<b>\$ 122,527,461</b>
<b>LIABILITIES AND NET ASSETS</b>										
<b>Current Liabilities</b>										
Accounts payable and accrued expenses	\$ 1,783,472	\$ 26,746,460	\$ 30,931	\$ 358,132	\$ 75,780	\$ -	\$ -	\$ 28,994,775	\$ (28,059)	\$ 28,966,716
Refundable advances	25,000	-	-	-	-	-	-	25,000	-	25,000
Deferred revenue	24,561	-	-	1,024	-	-	-	25,585	-	25,585
Other current liabilities	873,616	545,664	-	29,118	-	-	-	1,448,398	-	1,448,398
Lines of credit	2,500,000	-	-	-	-	-	-	2,500,000	-	2,500,000
Tenants' security deposits payable	-	-	-	41,570	-	-	-	41,570	-	41,570
Mortgage payable - current portion	-	-	147,762	188,232	3,606,484	-	-	3,942,478	-	3,942,478
Due to related party	-	588,038	-	-	-	-	-	588,038	(588,038)	-
<b>Total Current Liabilities</b>	<b>5,206,649</b>	<b>27,880,162</b>	<b>178,693</b>	<b>618,076</b>	<b>3,682,264</b>	<b>-</b>	<b>-</b>	<b>37,565,844</b>	<b>(616,097)</b>	<b>36,949,747</b>
<b>Non-Current Liabilities</b>										
Due to New York City Human Resources Administration ("HRA")	-	18,271,563	-	-	-	-	-	18,271,563	-	18,271,563
Due to related parties	-	-	11,561,528	-	-	-	-	11,561,528	(11,561,528)	-
Mortgages payable, non-current, net	-	-	9,210,603	8,084,441	-	-	-	17,295,044	-	17,295,044
Reserve for disallowance	-	7,687,398	-	-	-	-	-	7,687,398	-	7,687,398
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>25,958,961</b>	<b>20,772,131</b>	<b>8,084,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,815,533</b>	<b>(11,561,528)</b>	<b>43,254,005</b>
<b>Total Liabilities</b>	<b>5,206,649</b>	<b>53,839,123</b>	<b>20,950,824</b>	<b>8,702,517</b>	<b>3,682,264</b>	<b>-</b>	<b>-</b>	<b>92,381,377</b>	<b>(12,177,625)</b>	<b>80,203,752</b>
<b>Net Assets</b>										
Without donor restrictions	14,663,436	21,472,697	1,802,722	(3,313,719)	2,971,478	473,000	57,347	38,126,961	-	38,126,961
With donor restrictions	4,196,748	-	-	-	-	-	-	4,196,748	-	4,196,748
<b>Total Net Assets</b>	<b>18,860,184</b>	<b>21,472,697</b>	<b>1,802,722</b>	<b>(3,313,719)</b>	<b>2,971,478</b>	<b>473,000</b>	<b>57,347</b>	<b>42,323,709</b>	<b>-</b>	<b>42,323,709</b>
	<b>\$ 24,066,833</b>	<b>\$ 75,311,820</b>	<b>\$ 22,753,546</b>	<b>\$ 5,388,798</b>	<b>\$ 6,653,742</b>	<b>\$ 473,000</b>	<b>\$ 57,347</b>	<b>\$ 134,705,086</b>	<b>\$ (12,177,625)</b>	<b>\$ 122,527,461</b>

See independent auditors' report

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

### Consolidating Schedule of Operations and Change in Net Assets For the Year Ended June 30, 2020

	Without Donor Restrictions								With Donor Restrictions	Consolidated	
	CPC	CPC-HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	Eliminations	Total		CPC
<b>REVENUE</b>											
Government grants and contracts	\$ 24,341,949	\$ 199,205,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,547,179	\$ -	\$ 223,547,179
Contributions and private grants	2,630,933	-	27,000	-	-	-	-	-	2,657,933	423,264	3,081,197
Rental revenue	18,415	-	835,180	2,445,401	655,631	-	-	(1,665,609)	2,289,018	-	2,289,018
Contracted sources	6,016,629	294,355	-	-	-	-	-	(4,437,880)	1,873,104	-	1,873,104
Special events, net of \$108,250 of costs of direct benefit to donors	472,329	-	-	-	-	-	-	-	472,329	-	472,329
Interest and dividend income	20,100	235,851	179	1,578	46	-	-	-	257,754	56,095	313,849
Net unrealized and realized loss	(4,882)	-	-	-	-	-	-	-	(4,882)	-	(4,882)
Other public support	93,279	310,889	271,231	8,482	317,753	-	-	(324,678)	676,956	182,364	859,320
Net assets released from restrictions	84,873	-	-	-	-	-	-	-	84,873	(84,873)	-
<b>Total Revenue</b>	<b>33,673,625</b>	<b>200,046,325</b>	<b>1,133,590</b>	<b>2,455,461</b>	<b>973,430</b>	<b>-</b>	<b>-</b>	<b>(6,428,167)</b>	<b>231,854,264</b>	<b>576,850</b>	<b>232,431,114</b>
<b>EXPENSES</b>											
<b>Program Services</b>											
Early childcare services	5,372,250	-	-	-	-	-	-	(326,399)	5,045,851	-	5,045,851
School-age services	3,022,402	-	-	-	-	-	-	(102,530)	2,919,872	-	2,919,872
Youth services	4,050,824	-	-	-	-	-	-	(87,427)	3,963,397	-	3,963,397
Community services	7,281,882	-	-	-	-	-	-	(132,807)	7,149,075	-	7,149,075
Workforce services	652,866	-	-	-	-	-	-	(52,739)	600,127	-	600,127
Senior citizens' services	4,983,332	-	-	-	-	-	-	(444,371)	4,538,961	-	4,538,961
COVID-19 services	1,170,215	-	-	-	-	-	-	-	1,170,215	-	1,170,215
Home attendant program	-	185,815,275	-	-	-	-	-	(103,794)	185,711,481	-	185,711,481
Housing and economic development	-	-	1,571,927	2,316,359	836,606	-	-	-	4,724,892	-	4,724,892
<b>Total Program Services</b>	<b>26,533,771.00</b>	<b>185,815,275</b>	<b>1,571,927</b>	<b>2,316,359</b>	<b>836,606</b>	<b>-</b>	<b>-</b>	<b>(1,250,067)</b>	<b>215,823,871</b>	<b>-</b>	<b>215,823,871</b>
<b>Supporting Services</b>											
Management and general	4,596,008	11,724,212	159,476	454,005	24,000	-	-	(5,178,100)	11,779,601	-	11,779,601
Fundraising	723,475	-	-	-	-	-	-	-	723,475	-	723,475
<b>Total Supporting Services</b>	<b>5,319,483</b>	<b>11,724,212</b>	<b>159,476</b>	<b>454,005</b>	<b>24,000</b>	<b>-</b>	<b>-</b>	<b>(5,178,100)</b>	<b>12,503,076</b>	<b>-</b>	<b>12,503,076</b>
<b>Total Expenses</b>	<b>31,853,254</b>	<b>197,539,487</b>	<b>1,731,403</b>	<b>2,770,364</b>	<b>860,606</b>	<b>-</b>	<b>-</b>	<b>(6,428,167)</b>	<b>228,326,947</b>	<b>-</b>	<b>228,326,947</b>
<b>Change in Net Assets Before HRA Refund</b>	<b>1,820,371</b>	<b>2,506,838</b>	<b>(597,813)</b>	<b>(314,903)</b>	<b>112,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,527,317</b>	<b>576,850</b>	<b>4,104,167</b>
<b>Refund due to HRA</b>	<b>-</b>	<b>(33,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,500)</b>	<b>-</b>	<b>(33,500)</b>
<b>Change in Net Assets</b>	<b>1,820,371</b>	<b>2,473,338</b>	<b>(597,813)</b>	<b>(314,903)</b>	<b>112,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,493,817</b>	<b>576,850</b>	<b>4,070,667</b>
<b>NET ASSETS</b>											
Beginning of year	14,663,436	21,472,697	1,802,722	(3,313,719)	2,971,478	473,000	57,347	-	38,126,961	4,196,748	42,323,709
End of year	\$ 16,483,807	\$ 23,946,035	\$ 1,204,909	\$ (3,628,622)	\$ 3,084,302	\$ 473,000	\$ 57,347	\$ -	\$ 41,620,778	\$ 4,773,598	\$ 46,394,376

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

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

	Without Donor Restrictions								With Donor Restrictions	Consolidated	
	CPC	CPC-HAP	NSLDC	CPC-HDFC	CTCI	16 Dutch	LDC	Eliminations	Total		CPC
<b>REVENUE</b>											
Government grants and contracts	\$ 22,673,835	\$ 194,073,722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,747,557	\$ -	\$ 216,747,557
Contributions and private grants	2,356,666	-	7,872	-	-	-	-	-	2,364,538	103,071	2,467,609
Rental revenue	13,475	-	928,800	2,440,167	769,365	-	-	(2,419,357)	1,732,450	-	1,732,450
Contracted sources	6,510,845	276,593	-	-	-	-	-	(4,370,447)	2,416,991	33,615	2,450,606
Special events, net of \$109,655 of costs of direct benefit to donors	540,100	-	9,259	-	-	-	-	-	549,359	40,875	590,234
Interest and dividend income	18,743	179,226	471	1,526	79	-	-	-	200,045	14,305	214,350
Net unrealized and realized gain	1,673	-	-	-	-	-	-	-	1,673	-	1,673
Other public support	69,407	333,239	293,240	22,354	394,690	-	-	-	1,112,930	779	1,113,709
Net assets released from restrictions	152,352	-	-	-	-	-	-	-	152,352	(152,352)	-
Total Revenue	<u>32,337,096</u>	<u>194,862,780</u>	<u>1,239,642</u>	<u>2,464,047</u>	<u>1,164,134</u>	<u>-</u>	<u>-</u>	<u>(6,789,804)</u>	<u>225,277,895</u>	<u>40,293</u>	<u>225,318,188</u>
<b>EXPENSES</b>											
Program Services											
Early childcare services	5,172,984	-	-	-	-	-	-	(347,856)	4,825,128	-	4,825,128
School-age services	3,374,550	-	-	-	-	-	-	(81,720)	3,292,830	-	3,292,830
Youth services	4,596,490	-	-	-	-	-	-	(139,761)	4,456,729	-	4,456,729
Community services	6,193,726	-	-	-	-	-	-	(107,002)	6,086,724	-	6,086,724
Workforce services	334,143	-	-	-	-	-	-	(755)	333,388	-	333,388
Senior citizens' services	5,438,130	-	-	-	-	-	-	(534,760)	4,903,370	-	4,903,370
Home attendant program	-	177,899,345	-	-	-	-	-	(98,031)	177,801,314	-	177,801,314
Housing and economic development	-	-	1,652,946	2,394,657	834,862	-	-	-	4,882,465	-	4,882,465
Total Program Services	<u>25,110,023</u>	<u>177,899,345</u>	<u>1,652,946</u>	<u>2,394,657</u>	<u>834,862</u>	<u>-</u>	<u>-</u>	<u>(1,309,885)</u>	<u>206,581,948</u>	<u>-</u>	<u>206,581,948</u>
Supporting Services											
Management and general	5,010,280	11,377,350	39,000	125,166	49,000	-	-	(5,479,919)	11,120,877	-	11,120,877
Fundraising	660,689	-	-	-	-	-	-	-	660,689	-	660,689
Total Supporting Services	<u>5,670,969</u>	<u>11,377,350</u>	<u>39,000</u>	<u>125,166</u>	<u>49,000</u>	<u>-</u>	<u>-</u>	<u>(5,479,919)</u>	<u>11,781,566</u>	<u>-</u>	<u>11,781,566</u>
Total Expenses	<u>30,780,992</u>	<u>189,276,695</u>	<u>1,691,946</u>	<u>2,519,823</u>	<u>883,862</u>	<u>-</u>	<u>-</u>	<u>(6,789,804)</u>	<u>218,363,514</u>	<u>-</u>	<u>218,363,514</u>
Change in Net Assets Before											
Impairment of Note Receivable and HRA Adjustments	1,556,104	5,586,085	(452,304)	(55,776)	280,272	-	-	-	6,914,381	40,293	6,954,674
Impairment of note receivable	-	-	-	-	-	(21,446,256)	-	-	(21,446,256)	-	(21,446,256)
Refund due to HRA	-	(10,173)	-	-	-	-	-	-	(10,173)	-	(10,173)
Change in Net Assets	1,556,104	5,575,912	(452,304)	(55,776)	280,272	(21,446,256)	-	-	(14,542,048)	40,293	(14,501,755)
<b>NET ASSETS</b>											
Beginning of year	<u>13,107,332</u>	<u>15,896,785</u>	<u>2,255,026</u>	<u>(3,257,943)</u>	<u>2,691,206</u>	<u>21,919,256</u>	<u>57,347</u>	<u>-</u>	<u>52,669,009</u>	<u>4,156,455</u>	<u>56,825,464</u>
End of year	<u>\$ 14,663,436</u>	<u>\$ 21,472,697</u>	<u>\$ 1,802,722</u>	<u>\$ (3,313,719)</u>	<u>\$ 2,971,478</u>	<u>\$ 473,000</u>	<u>\$ 57,347</u>	<u>\$ -</u>	<u>\$ 38,126,961</u>	<u>\$ 4,196,748</u>	<u>\$ 42,323,709</u>

See independent auditors' report