
CHINESE-AMERICAN PLANNING COUNCIL, INC.

Financial Statements and OMB Circular A-133 Report

For the year ended June 30, 2015

CHINESE-AMERICAN PLANNING COUNCIL, INC.

Financial Statements

June 30, 2015

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Independent Auditor's Report

To the Board of Directors of
Chinese-American Planning Council, Inc.

Report on the financial statements

We have audited the accompanying financial statements of Chinese-American Planning Council, Inc. ("CPC"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements referred to above present fairly, in all material respects, the financial position of Chinese-American Planning Council, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, from page 17 to 20, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015 on our consideration of CPC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPC's internal control over financial reporting and compliance.

N. Cheng & Co., P.C

New York, New York
November 24, 2015

CHINESE-AMERICAN PLANNING COUNCIL, INC**Statement of Financial Position**

As of June 30, 2015

Assets

Cash and cash equivalents – Note 3	\$ 1,774,811
Grants and contracts receivable – Note 4	2,975,903
Accounts receivable, net	1,556,729
Prepaid expenses and deposits	289,899
Investments – Note 2	725,908
Due from affiliates – Note 6	7,362,570
Custodial funds and other assets – Note 5	3,329,037
Property and equipment – net – Note 7	<u>14,912</u>
Total assets	<u>\$ 18,029,769</u>

Liabilities and net assets**Liabilities**

Accounts and accrued expenses payable – Note 8	\$ 889,258
Refundable advances and deferred revenues - Note 9	421,836
Custodial funds liabilities – Note 5	3,329,037
Other liabilities – Note 10	870,589
Line of credit – Note 11	1,500,000
Due to funding sources	<u>15,856</u>
Total liabilities	<u>7,026,576</u>

Net assets – Note 15

Unrestricted	
Operating	10,332,193
Board designated	<u>207,660</u>
Total unrestricted	10,539,853
Temporarily restricted	22,917
Permanently restricted	<u>440,423</u>
Total net assets	<u>11,003,193</u>
Total liabilities and net assets	<u>\$ 18,029,769</u>

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.**Statement of Activities**

For the year ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
<u>Revenue</u>				
Government grants and contracts	\$ 18,087,097			\$ 18,087,097
Contributions and private grants	2,664,520			2,664,520
Service fees	3,537,132			3,537,132
Other income and public support	43,001			43,001
Interest and dividend income	15,732	\$ 2,008		17,740
Special events, net of \$191,708 costs of direct benefits to donors	152,761			152,761
Total revenue	<u>24,500,243</u>	<u>2,008</u>		<u>24,502,251</u>
<u>Expenses</u>				
Program services				
Child care	6,840,020			6,840,020
Community services	4,672,653			4,672,653
Senior citizens' services	3,622,982			3,622,982
Youth services	3,041,424			3,041,424
Workforce	623,213			623,213
Literacy	94,804			94,804
Total program services	<u>18,895,096</u>			<u>18,895,096</u>
Supporting services				
Management and general	2,974,231			2,974,231
Fund raising	42,494			42,494
Total supporting services	<u>3,016,725</u>			<u>3,016,725</u>
Total expenses	<u>21,911,821</u>			<u>21,911,821</u>
Change in net assets	2,588,422	2,008		2,590,430
Net assets at beginning of year	7,951,431	20,909	\$ 440,423	8,412,763
Net assets at end of year	<u>\$ 10,539,853</u>	<u>\$ 22,917</u>	<u>\$ 440,423</u>	<u>\$ 11,003,193</u>

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.

Statement of Functional Expenses

For the year ended June 30, 2015

	Program services						Supporting services			Total program and supporting services	
	Child Care	Community services	Senior citizens' services	Youth services	Work force	Literacy	Total	Management and general	Fund raising		Total
Personnel costs											
Salaries	\$ 4,193,902	\$ 2,665,072	\$ 1,906,581	\$ 2,019,318	\$ 361,207	\$ 61,098	\$ 11,207,178	\$ 1,296,664		\$ 1,296,664	\$ 12,503,842
Fringe benefits	1,091,500	903,613	418,679	491,802	121,324	26,639	3,053,557	358,245		358,245	3,411,802
Total personnel costs	5,285,402	3,568,685	2,325,260	2,511,120	482,531	87,737	14,260,735	1,654,909		1,654,909	15,915,644
Program activities											
Food and food related materials	407,437	11,764	762,304	5,810			1,187,315	3,730	\$ 2,396	6,126	1,193,441
Other program supplies	247,522	75,755	72,138	46,689	3,817	2,211	448,132				448,132
Participant expenses	5,046	34,520		21,249			60,815				60,815
Program services/fundraising	156,154	97,517	27,638	100,189	93,605	3,220	478,323	762		762	479,085
Professional services											
Audit fees								68,600		68,600	68,600
Legal fees								20,177		20,177	20,177
Consultant	51,031	11,170	600	1,600			64,401	87,010	12,660	99,670	164,071
Payroll/client billing preparation								77,286		77,286	77,286
Occupancy costs											
Rent and real estate taxes	443,955	627,891	209,324	262,398	21,732		1,565,300	310,412		310,412	1,875,712
Utilities	46,120	46,555	9,488	18,486			120,649	26,629		26,629	147,278
Building maintenance and repairs	52,605	24,817	64,242	1,038			142,702	6,439		6,439	149,141
Others											
Supplies	29,266	3,610	28,121	2,291			63,288	9,173		9,173	72,461
Telephone	25,834	55,534	19,362	12,012	385		113,127	34,866		34,866	147,993
Internet maintenance		450					450	9,259		9,259	9,709
Insurance								333,185		333,185	333,185
Transportation/travel related	25,664	19,769	23,000	44,769	2,838		116,040	25,307		25,307	141,347
Equipment purchase/rental	56,710	30,542	81,505	13,473	2,664	1,636	186,530	22,041	1,700	23,741	210,271
Printing/postage/subscriptions	199	8,211			15,141		23,551	12,734	22,768	35,502	59,053
Promotion/public relations/memberships	1,350	30,136					31,486	14,988	2,970	17,958	49,444
Memberships		8,807					8,807	16,500		16,500	25,307
Staff training/conferences/advertising	5,117	11,254		300	500		17,171	3,582		3,582	20,753
Interest and loan fees								77,363		77,363	77,363
Depreciation and amortization	608	5,666					6,274	7,937		7,937	14,211
Bad debt expense								143,698		143,698	143,698
Miscellaneous								7,644		7,644	7,644
Total expenses	\$ 6,840,020	\$ 4,672,653	\$ 3,622,982	\$ 3,041,424	\$ 623,213	\$ 94,804	\$ 18,895,096	\$ 2,974,231	\$ 42,494	\$ 3,016,725	\$ 21,911,821

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.**Statement of Cash Flows**

For the year ended June 30, 2015

Cash flows from operating activities

Changes in net assets	\$ 2,590,430
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	14,209
Change in grants and contracts receivable	(763,235)
Change in accounts receivable	(1,362,205)
Change in other receivables	49,700
Change in prepaid expenses and deposits	12,572
Change in custodial funds & other assets	(120,031)
Change in accounts and accrued expenses payable	(295,460)
Change in refundable advances and deferred revenue	75,809
Change in custodial funds liabilities	120,031
Change in other liabilities	(93,820)
Change in due to funding sources	<u>15,856</u>
Net cash provided by operating activities	<u>243,856</u>

Cash flows from investing activities

Net purchase of investments	(13,234)
Loans to related party	811,306
Purchase of fixed assets	(<u>3,409</u>)
Net cash (used in) investing activities	<u>794,663</u>

Cash flows from financing activities

Repayments to line of credit	(<u>500,000</u>)
Net cash provided by financing activities	(<u>500,000</u>)

Net increase in cash and cash equivalents	538,519
Cash and cash equivalents – beginning of year	<u>1,236,292</u>
Cash and cash equivalents total – end of year	<u>\$ 1,774,811</u>

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.

Notes to Financial Statements

June 30, 2015

Note 1 Organization

Chinese-American Planning Council, Inc. ("CPC") is a not-for-profit corporation organized under the New York State not-for-profit corporation law. CPC's mission is to serve the Chinese-American, immigrant and low-income communities in New York City by providing services, skills and resources towards economic self-sufficiency.

CPC is exempt from income taxes pursuant to Section 501(c)(3) of Internal Revenue Code. Accordingly, no provision for federal and state income taxes has been recorded in these financial statements.

Note 2 Summary of significant accounting policies

Basis of accounting. The financial statements of CPC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial statement presentation. The classification of net assets and related support, revenue and expenses, is based on the existence or absence of donor-imposed restrictions. CPC report its net assets under the following two classes:

Unrestricted – this class includes net assets resulting from unrestricted contributions and from other resources not subject to donor-imposed restrictions.

Temporarily restricted – this class includes net assets resulting from contributions and other inflows of assets whose use by the recipient is limited by donor-imposed stipulation that either expire by passage of time or can be fulfilled and removed by actions taken pursuant to those stipulations. When stipulations terminate or are fulfilled, the amounts involved are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Consists of assets whose use by CPC is subject to donor-imposed stipulations that the funds be maintained in perpetuity and only the interests earned from the investment of such funds may be released from restriction and used in CPC's operations.

Support and revenue. Grants and contributions are recorded as revenues when received, or when amounts and collectability are known, and considered to be available for unrestricted use unless specifically restricted by donors. Grants reimbursing expenditures are recognized as support for the amount expended during the period. Amounts received prior to the time related expenses were incurred are reflected as a liability to the funding source.

Property and equipment. Property and equipment are recorded at cost. Gifts and bequests are carried at appraised or fair market value at the date of the gift, less accumulated depreciation. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets.

CHINESE-AMERICAN PLANNING COUNCIL, INC.

Notes to Financial Statements

June 30, 2015

Note 2 Summary of significant accounting policies – (continued)

Cash and cash equivalents. Cash and cash equivalents include short-term investments in certificate of deposit and money market funds with original maturities of 90 days or less when purchased. The securities are carried at cost, which approximates fair market value.

Endowment fund. CPC's endowment funds consist of three individual funds established for a variety of purposes and is reported in the permanently restricted net assets. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

CPC's Board of Directors has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds in the absence of explicit donor stipulations to the contrary. As a result of this interpretation, CPC classifies as permanently restricted net assets (a) the original value of gift donated to the permanent endowment, (b) the original value of subsequent gift to the permanent endowment, and (c) accumulations to the permanent 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 in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by CPC in a manner consistent with the standard of prudence prescribed by NYPMIFA.

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

Investment Return Objectives, Risk Parameters and Strategies. CPC had 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 includes 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.

CHINESE-AMERICAN PLANNING COUNCIL, INC.

Notes to Financial Statements

June 30, 2015

Note 2 Summary of significant accounting policies – (continued)

Endowment fund - (continued)

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

Use of estimates. Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Functional allocation of expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes. CPC and affiliates had no uncertain tax positions as June 30, 2015 and 2014 in accordance with Accounting Standards Codification (“ASC”) Topic 740, Income Taxes, which provides standards for establishing and classifying any tax provision for uncertain tax positions. CPC and affiliates are no longer subject to federal or state and local income tax examinations by tax authorities for the year ended June 30, 2012 and prior years.

Subsequent events. CPC has evaluated its financial statements for potential recognition and disclosure, events and transactions that occurred subsequent to the date of the statement of financial position through November 24, 2015, the date the financial statements were available to be issued. CPC has determined that there are no subsequent events that require additional recognition or disclosure in the financial statements.

Contributed Services and Property. Contributions of donated assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period services are provided. A substantial number of volunteers have donated significant amounts of time to CPC's various program services; however, these donated services are not reflected in the financial statements since they do not meet the recognition criteria.

CHINESE-AMERICAN PLANNING COUNCIL, INC.**Notes to Financial Statements**

June 30, 2015

Note 2 Summary of significant accounting policies – (continued)

Investment Income. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair value measurements. CPC has adopted ASC 820 and its applicable amendments. ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosure about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes how to measure fair value based on a three-level hierarchy of inputs, of which the first two are considered observable and the last unobservable.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liability.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

<u>Description</u>	<u>06/30/15</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
CPC investment				
Money market placements	\$ 414,997	\$ 414,997		
Fixed Income	214,237		\$ 214,237	
Daily income fund	<u>96,674</u>	<u>96,674</u>		
Subtotal for CPC investment	725,908	511,671	214,237	
Custodial funds investment – Note 5				
Certificates of deposit	<u>2,207,183</u>		<u>2,207,183</u>	
Total	<u>\$ 2,933,091</u>	<u>\$ 511,671</u>	<u>\$ 2,421,420</u>	

Investment income for the year ended June 30, 2015 was \$17,740.

CHINESE-AMERICAN PLANNING COUNCIL, INC.

Notes to Financial Statements

June 30, 2015

Note 3 Cash and cash equivalents

Cash and cash equivalents consist of the following as of June 30, 2015:

Petty cash funds	\$ 4,000
Operating funds	1,254,410
Payroll funds	<u>516,401</u>
Total	<u>\$ 1,774,811</u>

Note 4 Grants and contracts receivable

Grants and contracts receivable consist of the following as of June 30, 2015:

Government grants	\$ 2,808,478
Private foundations	<u>167,425</u>
Total	<u>\$ 2,975,903</u>

Note 5 Custodial funds

Certain programs of CPC formed advisory committees to raise funds for related and specific purposes. Disbursements from these funds must be authorized by their respective advisory committees. CPC's role is to oversee that the disbursements are in accordance with CPC's by-laws and the restrictions originally set forth by the committees.

As of June 30, 2015, the balances related to the custodial funds' activities, which are included in the accompanying financial statements, are as follows:

Cash and cash equivalents	\$ 1,105,574
Investments	2,207,183
Due from affiliates	530
Memorial plots	<u>15,750</u>
Total custodial funds	<u>\$ 3,329,037</u>

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES**Notes to Financial Statements**

June 30, 2015

Note 6 Due from affiliates

CPC engaged in transactions with affiliated entities, such as management fees charged by CPC's for its involvement in the affiliate's operations as well as loans made to some of those affiliates. As of June 30, 2015 the due from affiliates account balances were as follows:

Nan Shan Local Development Corporation	\$ 6,890,570
Chinese-American Planning Council Home Attendant Program, Inc.	400,000
CPC Tribeca Center, Inc.	<u>72,000</u>
Total	<u>\$ 7,362,570</u>

Note 7 Property and equipment

Property and equipment are stated at cost or fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Estimated life</u>	<u>Amount</u>
Leasehold improvements	5 years	\$ 206,148
Equipment	5 years	78,894
Furniture and fixtures	5 years	30,487
Vehicle	5 years	<u>50,344</u>
Total fixed assets		365,873
Less: accumulated depreciation and amortization		<u>(350,961)</u>
Net fixed assets		<u>\$ 14,912</u>

Note 8 Accounts and accrued expenses payable

The accounts and accrued expenses payable consists of the following as of June 30, 2015:

Vendor payables	\$ 208,878
Payroll and related taxes	<u>680,380</u>
Total	<u>\$ 889,258</u>

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES**Notes to Financial Statements**

June 30, 2015

Note 9 Refundable advances and deferred revenue

The account consists of the following as of June 30, 2015:

From funding sources	\$ 35,605
From fee for service programs	175,100
Program escrow	<u>211,131</u>
Total	<u>\$ 421,836</u>

Note 10 Other liabilities

Other liabilities consist of the following:

Grants for Karen Liu Child Care Staff Development Fund	
Contribution from Ong Family Foundation	\$ 113,750
Contribution from Lin and Susie Chen Foundation	58,000
Contribution from Allen B. Cohen's donation	<u>970</u>
Subtotal	172,720
Other liabilities	623,136
Note payable	<u>74,733</u>
Total	<u>\$ 870,589</u>

Note 11 Line of credit

CPC has a line of credit of \$2,000,000 with a bank. The line of credit is renewable on a yearly basis. Borrowings under the line of credit bear interest at prime rate (3.25% at June 30, 2015) plus 1.00%. All borrowings are collateralized by substantially all assets of CPC.

CPC's credit agreement contains certain covenants that require, among other things, maintenance of minimum tangible net worth of \$3,500,000; full repayment to the Bank of all amounts outstanding respecting the facility for a period of 60 consecutive days in each year; and unencumbered deposits of \$8,000,000 by CPC and its affiliates at all times.

The outstanding balance on the line of credit was \$1,500,000 at June 30, 2015. Interest expense for the year ended June 30, 2015 was \$73,490.

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES

Notes to Financial Statements

June 30, 2015

Note 12 Leases

CPC leases various facilities under noncancelable operating leases with terms of one to ten years. The following is a schedule by years of future minimum rentals under the leases at June 30, 2015:

Year ending June 30,	
2016	\$ 949,806
2017	931,750
2018	774,897
2019	788,951
2020	802,269
Thereafter	<u>549,379</u>
	<u>\$ 4,797,052</u>

In addition to the above commitments, CPC has agreed to month to month billings for its central office as well as certain programs amounting to \$817,428 for the 2015 fiscal year.

Note 13 Concentrations

A. Concentration of Credit Risk

Financial instruments which potentially subject CPC to a concentration of credit risk are cash and cash equivalents accounts with major financial institutions in excess of FDIC insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal. As of June 30, 2015, CPC had a credit risk exposure of \$4,046,027.

B. Concentration of Revenue

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

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES**Notes to Financial Statements**

June 30, 2015

Note 14 Contingent liabilities

Grants and revenues from services rendered are subject to audit by the government agencies. In the past, CPC has been audited by the New York City Department of Youth and Community Development (NYC DYCD), the New York City Administration for Children's Services (NYC-ACS). Management indicated that there have been no reportable liabilities brought to its attention, and that there exists no material liabilities outstanding at the current time.

Note 15 Net assets

Board Designated Net Assets. In 2007 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 and also to cover for incremental rent expenses, in the event that the new location is to be leased at a higher rate. Activities on this Board designated funds are as follows:

Original designated amount	\$ 600,000
Cost incurred since 2007	<u>(392,340)</u>
Balance as of June 30, 2015	<u>\$ 207,660</u>

Temporarily Restricted and Permanently Restricted Net Assets. Permanently restricted net assets consist of endowment funds in the amount of \$440,423 at June 30, 2015.

The composition of and changes in donor-restricted endowment net assets as of June 30, 2015 are as follows:

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total net endowment assets</u>
Endowment net assets, beginning of year	\$ 20,909	\$ 440,423	\$ 461,332
Contributions	-	-	-
Interest and dividends	3,705	-	3,705
Net loss	<u>(1,697)</u>	<u>-</u>	<u>(1,697)</u>
Endowment net assets, end of year	<u>\$ 22,917</u>	<u>\$ 440,423</u>	<u>\$ 463,340</u>

CHINESE-AMERICAN PLANNING COUNCIL, INC.
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2015

Federal grantor/pass-through grantor/ program or cluster title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures
<u>U.S Department of Health and Human Services</u>			
<u>Passed through the City of New York</u>			
<u>Administration for Children's Services</u>			
Child Care and Development Block Grant			
Infant Toddler	93.575	C025204	\$ 65,274
CCC & R	93.575	C025197	<u>1,207,260</u>
			<u>1,272,534</u>
 <u>Passed through the City of New York</u>			
<u>Administration for Children's Services</u>			
Social Service Block Grant			
Asian Family Services	93.667	CT068-20120000279	<u>429,865</u>
 <u>Passed through the City of New York</u>			
<u>Department for the Aging</u>			
Social Services Block Grant			
NY Chinatown Senior Center	93.667	20131408801	129,254
Project Open Door	93.667	20131409441	<u>172,798</u>
			<u>302,052</u>
			<u>731,917</u>
 <u>Passed through the City of New York</u>			
<u>Department for the Aging</u>			
Centers for Medicare and Medicaid Services (CMS) Research			
Demonstrations and Evaluations			
Medicare Outreach Program			
4/01/14-9/29/14	93.779	20151404564	9,974
			<u>9,974</u>
 <u>Passed through Structured Employment Economic Development Corp.</u>			
Children's Health Insurance Program			
New York IPA/Navigator Program	93.767	N/A	<u>1,762</u>
			<u>1,762</u>

The accompanying notes are an integral part of this schedule.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2015

Federal grantor/pass-through grantor/ program or cluster title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures
<u>U.S Department of Health and Human Services</u>			
<u>Passed through New York State Office of Children and Family Services</u>			
Community Services Block Grant			
Office for New Americans (Manhattan)	93.569	C1000121	\$ 93,245
Office for New Americans (Queens)	93.569	N/A	25,902
			119,147
<u>Passed through the City of New York</u>			
Department of Youth and Community Development			
Community Services Block Grant			
NDA Queens	93.569	840700A	76,201
NDA Manhattan	93.569	830301A	66,059
			142,260
			261,407
<u>Passed through New York State</u>			
Office of Children and Family Services			
Temporary Assistance for Needy Families			
Silver Grant and Settlement House	93.558	C026077	52,344
			52,344
<u>Passed through the City of New York</u>			
<u>Department for the Aging</u>			
Aging Cluster			
Special Programs for the Aging, Title III, Part B - Grants for			
Supportive Services and Senior Centers			
Queens Senior Citizens Center	93.044	20131408800	21,261
NY Chinatown Senior Center	93.044	20131408801	14,022
Project Open Door	93.044	20131409441	46,983
Special programs for the Aging - Title III, Part C			
Nutrition Services			
NY Chinatown Senior Center	93.045	20131408801	156,754
Project Open Door	93.045	20131409441	164,935
Queens Senior Center	93.045	20131408800	48,746
Nutrition Services Incentive Program			
NY Chinatown Senior Center	93.053	20131408801	48,911
Project Open Door	93.053	20131409441	58,906
Queens Senior Citizens Center	93.053	20131408800	29,907
Total Aging Cluster			590,425
<u>Passed through Structured Employment Economic Development Corp.</u>			
State Planning and Establishment Grants			
New York IPA/Navigator Program	93.525	C028906	79,041
Medical Assistance Program			
New York IPA/Navigator Program	93.778	C028906	25,757
Total for US Department of Health and Human Services			3,025,161

The accompanying notes are an integral part of this schedule.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2015

Federal grantor/pass-through grantor/ program or cluster title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures
U.S. Department of Justice			
<u>Passed through the New York State</u>			
<u>Division of Criminal Justice Services</u>			
Edward Byrne Memorial Justice Assistance			
Grant Program			
NYC DCJS			
	16.738	C139772	\$ 154,591
Total for US Department of Justice			<u>154,591</u>
U.S. Department of Labor			
<u>Passed through the City of New York</u>			
<u>Department of Youth and Community Development</u>			
WIA Cluster			
WIA Youth Activities			
OST High School Queens			
09/1/14-06/30/15	17.259	20131407060	105,693
09/1/13-8/31/14 Extended (07/01/14-06/30/15)	17.259	20131407060	19,406
09/1/12-6/30/13 Extended (07/01/14-08/31/14)	17.259	20131407060	1,107
<u>Passed through the City of New York</u>			
<u>Department of Youth and Community Development</u>			
WIA Cluster			
OST High School Queens			
09/01/14-06/30/15	17.259	20131407147	174,602
09/01/13-08/31/14 Extended (07/01/14-06/30/15)	17.259	20131407147	24,616
09/01/12-06/30/13 Extended (07/01/14-08/31/14)	17.259	20131407147	2,409
Total WIA Cluster			<u>327,833</u>
<u>Passed through the Research Foundation of CUNY</u>			
Trade Adjustment Assistance Community College and Career Taking			
Grants Program			
	17.282	N/A	16,052
<u>Passed through the Senior Service America, Inc.</u>			
Senior Community Service Employment Program			
	17.235	139	1,077,510
Total for US Department of Labor			<u>1,421,395</u>

The accompanying notes are an integral part of this schedule.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2015

Federal grantor/pass-through grantor/ program or cluster title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures
U.S. Department of Agriculture (USDA)			
<u>Passed through the Hunger Solutions New York State Administrative Matching Grants for the Supplemental Nutrition Assistance Program</u>			
Nutrition Outreach and Education Program	10.561	C021045	\$ <u>32,548</u>
<u>Passed through United Way of New York City State Administrative Matching Grants for the Supplemental Nutrition Assistance Program</u>			
Food Stamp Program	10.561	N/A	\$ <u>109,155</u>
<u>Passed through the State of New York Department of Health Child and Adult Care Food Program</u>			
10/01/13-06/30/14	10.558	03111	\$ <u>494,314</u>
Total for US Department of Agriculture			<u>636,017</u>
Total Federal Expenditures			<u>\$ 5,237,164</u>

The accompanying notes are an integral part of this schedule.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
Notes to Schedule of Expenditures of Federal Awards
June 30, 2015

Note 1 Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Chinese-American Planning Council, Inc. (“CPC”) under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of CPC, it is not intended to and does not present the financial position, changes in net assets or cash flows of CPC.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principle contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 Sub-recipients

None



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
Chinese-American Planning Council, Inc.
New York, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Chinese-American Planning Council, Inc. (“CPC”), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2015.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered CPC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CPC's internal control. Accordingly, we do not express an opinion on the effectiveness of CPC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether CPC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CPC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

N. Cheng & Co., P.C

New York, New York
November 24, 2015





Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A133

To the Board of Directors
Chinese-American Planning Council, Inc.
New York, New York

Report on compliance for each major federal program

We have audited Chinese-American Planning Council, Inc.'s ("CPC") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CPC's major federal programs for the year ended June 30, 2015. CPC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for each of CPC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CPC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CPC's compliance.

Opinion on each major federal program

In our opinion, CPC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on internal control over compliance

Management of CPC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CPC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CPC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on schedule of expenditures of federal awards required by OMB Circular A-133

We have audited the financial statements of CPC as of and for the year ended June 30, 2015, and have issued our report thereon dated November 24, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

N. Cheng & Co., P.C

New York, New York
November 24, 2015



CHINESE-AMERICAN PLANNING COUNCIL, INC.

Schedule of Findings and Questioned Costs

For the year ended June 30, 2015

Section I – Summary of auditor’s results

Financial Statements

Type of auditors’ report issued Unmodified
• Material weakness(es) identified? yes no
• Significant deficiency(ies) identified? yes none reported
Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:
• Material weakness(es) identified? yes no
• Significant deficiency(ies) identified? yes none reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>
10.558	Child and adult care food program (CACFP)
17.259	WIA youth activities
93.575	Child care and development block grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no



CHINESE-AMERICAN PLANNING COUNCIL, INC.
Schedule of Findings and Questioned Costs
For the year ended June 30, 2015

Section II – Financial Statements Findings

None

Section III - Federal Awards Findings and Questioned Costs

None



CHINESE-AMERICAN PLANNING COUNCIL, INC.
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the year ended June 30, 2015

Financial statements findings

None

Federal award findings and questioned costs

None

CHINESE-AMERICAN PLANNING COUNCIL, INC.

Corrective Action Plan

For the year ended June 30, 2015

None