CHINESE-AMERICAN PLANNING COUNCIL, INC.

(Parent – Only Financial Statements)

Financial Statements
(Together with Independent Auditors' Report)

Years Ended June 30, 2024 and 2023

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

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2024 AND 2023

CONTENTS

INDEPENDENT AUDITORS' REPORT

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

Qualified Opinion

We have audited the financial statements of Chinese-American Planning Council, Inc. ("CPC"), which comprise the statements of financial position as of June 30, 2024 and 2023 , and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of not recording its ownership interests in a wholly owned subsidiary, as discussed in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of CPC as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 2A to the financial statements, CPC has not recorded its ownership interest in a wholly owned subsidiary. In our opinion, accounting principles generally accepted in the United States of America ("GAAP") require that all wholly owned subsidiaries be accounted for under the equity method of accounting when presenting parent only financial statements. If the subsidiary had been included on the equity method of accounting, total net assets would be increased by approximately $17.6 million and $12.4 million as of June 30, 2024 and 2023, respectively, and changes in net assets would be increased by approximately $5.2 million and $5.1 million, respectively, for the years ended June 30, 2024 and 2023.

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

Other Matter

We also have audited, in accordance with GAAS, the consolidated financial statements of Chinese-American Planning Council, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended (none of which are presented herein), and we expressed an unmodified opinion on those consolidated financial statements. Such consolidated financial statements are the general-purpose financial statements of Chinese-American Planning Council, Inc. and Affiliates, and the financial statements of the parent company presented herein are not a valid substitute for those consolidated financial statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CPC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CPC's ability to continue as a going concern for a reasonable period of time.

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

Restriction on Use

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

CBIZ CPAs P.C.[1]

New York, NY
November 27, 2024

[1] In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
(PARENT - ONLY FINANCIAL STATEMENTS)
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents (Notes 2C and 11A)	$ 23,944,399	$ 47,311,436
Restricted cash (Notes 2C and 11A)	18,325,346	18,325,346
Government grants and contracts receivable (Notes 2D and 2E)	10,978,916	12,899,007
Contributions receivable (Note 2E)	1,341,093	607,000
Accounts receivable (Note 2E)	48,025	55,372
Investments (Notes 2F and 4)	21,429,738	3,874,324
Prepaid expenses and deposits	1,385,871	1,062,839
Due from related parties, net (Note 13)	31,637,364	19,514,885
Property and equipment, net (Notes 2G and 5)	69,383	81,277
Operating lease right-of-use assets (Note 7)	32,798,310	18,361,677
TOTAL ASSETS	$ 141,958,445	$ 122,093,163
LIABILITIES		
Accounts payable and accrued expenses	$ 3,356,095	$ 3,851,271
Accrued payroll and benefits (Note 8C)	4,837,769	3,891,985
Refundable advances (Note 2D)	4,014,683	2,012,595
Deferred revenue (Note 12)	-	2,331,998
Operating lease liabilities (Note 7)	33,548,740	19,361,302
TOTAL LIABILITIES	45,757,287	31,449,151
COMMITMENTS AND CONTINGENCIES (Note 8)		
NET ASSETS		
Without donor restrictions (Note 2B):		
Available for operations	70,292,494	64,785,368
Board designated (Note 9A)	207,418	207,418
Total net assets without donor restrictions	70,499,912	64,992,786
With donor restrictions (Notes 2B, 9B and 10)		
Restricted for purpose and time	25,126,828	24,978,958
Perpetual in nature	574,418	672,268
Total net assets with donor restrictions	25,701,246	25,651,226
TOTAL NET ASSETS	96,201,158	90,644,012
TOTAL LIABILITIES AND NET ASSETS	$ 141,958,445	$ 122,093,163

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

CHINESE-AMERICAN PLANNING COUNCIL, INC.
(PARENT - ONLY FINANCIAL STATEMENTS)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:						
Government grants and contracts (Notes 2D and 11B)	$ 46,814,241	$ -	$ 46,814,241	$ 44,861,180	$ -	$ 44,861,180
Contributions and private grants (Note 2H)	1,663,040	2,323,445	3,986,485	16,028,995	3,777,126	19,806,121
Special events (net of direct expenses of $48,054 in 2024 and $47,062 in 2023)	344,061	-	344,061	401,464	-	401,464
Program service fee (Note 2I)	2,636,123	-	2,636,123	4,773,576	-	4,773,576
Licensing fee income (Note 13)	3,860,414	-	3,860,414	3,956,544	-	3,956,544
Management fee income (Note 13)	524,000	-	524,000	524,000	-	524,000
Net investment income (Note 4)	2,351,484	45,276	2,396,760	1,312,241	33,724	1,345,965
Other income (Note 12)	4,385,346	-	4,385,346	333,030	-	333,030
Net assets released from restrictions (Notes 2B and 10)	2,318,701	(2,318,701)	-	2,468,445	(2,468,445)	-
TOTAL REVENUE	64,897,410	50,020	64,947,430	74,659,475	1,342,405	76,001,880
EXPENSES (Note 2J):						
Program services						
Early childcare services	6,145,998	-	6,145,998	6,205,706	-	6,205,706
School-age services	4,293,907	-	4,293,907	4,372,101	-	4,372,101
Youth services	6,047,239	-	6,047,239	5,456,701	-	5,456,701
Workforce services	776,635	-	776,635	682,570	-	682,570
Community services	24,886,218	-	24,886,218	24,889,164	-	24,889,164
Senior citizen services	7,845,387	-	7,845,387	7,735,230	-	7,735,230
Total program services	49,995,384	-	49,995,384	49,341,472	-	49,341,472
Supporting services						
Management and general	8,106,408	-	8,106,408	5,912,326	-	5,912,326
Fundraising	1,288,492	-	1,288,492	1,029,158	-	1,029,158
Total supporting services	9,394,900	-	9,394,900	6,941,484	-	6,941,484
TOTAL EXPENSES	59,390,284	-	59,390,284	56,282,956	-	56,282,956
CHANGE IN NET ASSETS	5,507,126	50,020	5,557,146	18,376,519	1,342,405	19,718,924
NET ASSETS - BEGINNING OF YEAR	64,992,786	25,651,226	90,644,012	46,616,267	24,308,821	70,925,088
NET ASSETS - END OF YEAR	$ 70,499,912	$ 25,701,246	$ 96,201,158	$ 64,992,786	$ 25,651,226	$ 90,644,012

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

CHINESE-AMERICAN PLANNING COUNCIL, INC.
(PARENT - ONLY FINANCIAL STATEMENTS)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Program Services							Supporting Services			
	Early Childcare Services	School-Age Services	Youth Services	Workforce Services	Community Services	Senior Citizen Services	Total	Management and General	Fundraising	Total 2024	Total 2023
Salaries	$ 3,373,268	$ 3,049,389	$ 3,987,259	$ 499,887	$ 7,260,823	$ 3,818,921	$ 21,989,547	$ 3,773,784	$ 875,691	$ 26,639,022	$ 28,371,946
Payroll taxes and fringe benefits	840,731	460,421	748,097	113,160	1,955,659	739,115	4,857,183	957,877	225,354	6,040,414	5,748,675
Total Personnel Costs	4,213,999	3,509,810	4,735,356	613,047	9,216,482	4,558,036	26,846,730	4,731,661	1,101,045	32,679,436	34,120,621
Food and food related supplies	213,712	136,136	189,594	3,720	258,078	1,349,777	2,151,017	-	-	2,151,017	1,999,177
Other program supplies	72,290	206,228	204,798	4,669	307,890	12,516	808,391	-	-	808,391	636,820
Client contractual and other services	14,090	130,371	211,721	18,373	856,630	100,413	1,331,598	-	-	1,331,598	1,379,177
Participant expenses	-	-	136,015	6,738	12,002,265	-	12,145,018	-	-	12,145,018	9,624,795
Professional fees	41,665	26,859	34,619	3,700	152,279	45,804	304,926	745,055	44,788	1,094,769	495,380
Payroll/client billing preparation	35,383	-	-	-	39,011	-	74,394	274,141	-	348,535	364,635
Rent and real estate taxes (Note 7)	1,087,736	7,596	324,758	71,306	960,589	1,265,232	3,717,217	1,101,019	-	4,818,236	4,418,160
Utilities	57,719	-	32,430	11,113	79,994	68,381	249,637	19,345	-	268,982	284,235
Building maintenance and repairs	136,261	-	31,875	15,022	100,405	225,388	508,951	27,227	-	536,178	543,041
Supplies	63,880	54,607	39,861	9,064	168,076	34,617	370,105	73,218	12,900	456,223	405,960
Telephone	13,806	11,550	11,351	3,590	62,297	13,213	115,807	56,529	-	172,336	181,451
Internet maintenance	270	2,983	2,638	443	8,018	5,877	20,229	10,260	-	30,489	31,599
Insurance	55,044	118,213	-	-	67,301	53,787	294,345	298,881	-	593,226	542,254
Travel and transportation	4,193	436	18,502	38	125,252	582	149,003	134,099	-	283,102	114,614
Equipment purchase/rental	120,970	70,237	25,558	14,063	297,084	82,208	610,120	31,209	-	641,329	511,032
Printing/postage/subscriptions	75	2,200	4,529	850	95,553	3,493	106,700	7,846	13,630	128,176	101,152
Promotion/public relations/advertising (Note 2K)	-	2,475	-	-	-	5,000	7,475	104,843	95,404	207,722	102,448
Staff training/conferences	4,901	7,855	35,448	24	14,022	10,232	72,482	147,786	32,988	253,256	176,866
Interest and bank fees	-	-	-	-	-	-	-	8,334	-	8,334	47,887
Depreciation and amortization (Note 5)	-	-	-	-	-	-	-	34,888	-	34,888	31,892
Miscellaneous	10,004	6,351	8,186	875	74,992	10,831	111,239	300,067	35,791	447,097	216,822
SUBTOTAL	6,145,998	4,293,907	6,047,239	776,635	24,886,218	7,845,387	49,995,384	8,106,408	1,336,546	59,438,338	56,330,018
Less: Cost of direct benefits to donors	-	-	-	-	-	-	-	-	48,054	48,054	47,062
TOTAL EXPENSES	$ 6,145,998	$ 4,293,907	$ 6,047,239	$ 776,635	$ 24,886,218	$ 7,845,387	$ 49,995,384	$ 8,106,408	$ 1,288,492	$ 59,390,284	$ 56,282,956

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

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

	For the Year Ended June 30, 2023									
	Program Services							Supporting Services		
	Early Childcare Services	School-Age Services	Youth Services	Workforce Services	Community Services	Senior Citizen Services	Total	Management and General	Fundraising	Total 2023
Salaries	$ 3,634,848	$ 3,221,136	$ 3,329,575	$ 451,323	$ 10,012,769	$ 3,946,723	$ 24,596,374	$ 3,066,614	$ 708,958	$ 28,371,946
Payroll taxes and fringe benefits	740,666	458,112	694,459	99,128	2,292,534	734,512	5,019,411	564,427	164,837	5,748,675
Total Personnel Costs	4,375,514	3,679,248	4,024,034	550,451	12,305,303	4,681,235	29,615,785	3,631,041	873,795	34,120,621
Food and food related supplies	267,466	121,184	190,973	4,964	272,844	1,141,746	1,999,177	-	-	1,999,177
Other program supplies	75,696	194,943	209,031	11,551	124,307	21,292	636,820	-	-	636,820
Client contractual and other services	28,463	40,789	213,964	30,595	940,796	124,570	1,379,177	-	-	1,379,177
Participant expenses	-	-	144,820	-	9,479,975	-	9,624,795	-	-	9,624,795
Professional fees	-	-	-	-	2,326	-	2,326	429,061	63,993	495,380
Payroll/client billing preparation	35,685	-	-	-	39,632	-	75,317	289,318	-	364,635
Rent and real estate taxes (Note 7)	1,083,212	-	431,395	22,500	950,047	1,229,315	3,716,469	701,691	-	4,418,160
Utilities	56,577	-	40,676	5,866	79,638	77,899	260,656	23,579	-	284,235
Building maintenance and repairs	89,222	2,780	29,101	19,038	106,102	274,547	520,790	22,251	-	543,041
Supplies	36,051	85,053	62,064	18,673	110,987	62,112	374,940	30,979	41	405,960
Telephone	13,931	13,875	11,806	4,711	66,485	13,180	123,988	57,463	-	181,451
Internet maintenance	-	722	1,265	386	2,317	4,574	9,264	10,260	12,075	31,599
Insurance	54,057	131,930	-	-	86,008	49,262	321,257	220,997	-	542,254
Travel and transportation	3,312	2,822	14,405	-	10,726	1,721	32,986	80,735	893	114,614
Equipment purchase/rental	84,916	84,783	73,281	13,475	192,131	41,795	490,381	19,971	680	511,032
Printing/postage/subscriptions	-	3,312	856	360	83,296	2,766	90,590	5,483	5,079	101,152
Promotion/public relations/advertising (Note 2K)	-	175	-	-	-	4,500	4,675	46,822	50,951	102,448
Staff training/conferences	1,604	10,417	9,030	-	36,104	4,716	61,871	75,263	39,732	176,866
Interest and bank fees	-	-	-	-	-	-	-	47,887	-	47,887
Depreciation and amortization (Note 5)	-	-	-	-	-	-	-	31,892	-	31,892
Miscellaneous	-	68	-	-	140	-	208	187,633	28,981	216,822
SUBTOTAL	6,205,706	4,372,101	5,456,701	682,570	24,889,164	7,735,230	49,341,472	5,912,326	1,076,220	56,330,018
Less: Cost of direct benefits to donors	-	-	-	-	-	-	-	-	47,062	47,062
TOTAL EXPENSES	$ 6,205,706	$ 4,372,101	$ 5,456,701	$ 682,570	$ 24,889,164	$ 7,735,230	$ 49,341,472	$ 5,912,326	$ 1,029,158	$ 56,282,956

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

CHINESE-AMERICAN PLANNING COUNCIL, INC.
PARENT - ONLY FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 5,557,146	$ 19,718,924
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	34,888	31,892
Net realized and unrealized gain	(242,809)	(10,931)
Non-cash adjustment on operating leases	(14,436,633)	(18,361,677)
Non-cash gain from extinguishment of lease liabilities	(323,660)	-
Subtotal	(9,411,068)	1,378,208
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Government grants and contracts receivable	1,920,091	914,918
Contributions receivable	(734,093)	296,215
Accounts receivable	7,347	55,372
Due from related parties, net	(12,122,479)	(6,633,237)
Prepaid expenses and deposits	(323,032)	(281,550)
Increase or (decrease) in liabilities:		
Accounts payable and accrued expenses	(495,176)	37,396
Accrued payroll taxes and benefits	945,784	1,430,486
Refundable advances	2,002,088	1,425,041
Deferred revenue	(2,331,998)	-
Deferred rent	-	(969,258)
Operating lease liability	14,511,098	19,361,302
Net Cash (Used in) Provided by Operating Activities	(6,031,438)	17,014,893
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(22,994)	(33,350)
Purchase of investments	(17,312,605)	(9,230)
Proceeds from sale of investments	-	236,629
Repayment of note receivable	-	510,000
Net Cash (Used in) Provided by Investing Activities	(17,335,599)	704,049
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(23,367,037)	17,718,942
Cash, cash equivalents and restricted cash - beginning of year	65,636,782	47,917,840
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 42,269,745	$ 65,636,782
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 8,334	$ 47,887

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of Accounting*** - The accompanying financial statements of CPC have been prepared on the accrual basis of accounting. CPC adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying financial statements include the Parent-Only financial statements for CPC as of and for the years ended June 30, 2024 and 2023. U.S. GAAP requires that all ownership interests in wholly owned subsidiaries be accounted for under the equity method of accounting when presenting parent-only financial statements. CPC's parent-only financial statements do not include the net assets of a subsidiary amounting to approximately $17.6 million and $12.4 million as of June 30, 2024 and 2023, respectively. CPC's parent-only financial statements do not include the increase in net assets of the equity method investment amounting to approximately $5.2 million and $5.1 million, respectively, for the years ended June 30, 2024 and 2023.

B. ***Basis of Presentation*** - CPC maintains its net assets under the following two classes:

   a. Net assets without donor restrictions – includes funds having no restriction as to use or purpose imposed by donors. It represents resources available for support of CPC's operations. Board designated net assets consist of net assets whose use has been designated by the Board for the Community Services Program (Note 9A).

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ***Cash, Cash Equivalents and Restricted Cash*** - Cash and cash equivalents include all cash balances held in bank accounts and other highly liquid debt instruments with maturities of three months or less at the time of purchase that can be used for operating purposes. Restricted cash of $18,325,346 consists of grants received from Hong Ning LLC that are restricted to building maintenance needs of Hong Ning LLC or HDFC resident social services needs, and are subject to Housing Preservation and Development "HPD" approval on drawdown.

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

	2024	2023
Cash and cash equivalents	$ 23,944,399	$ 47,311,436
Restricted cash:		
Restricted usage of mortgage (HPD advance approval)	18,325,346	18,325,346
Total	$ 42,269,745	$ 65,636,782

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

Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion. As of June 30, 2024 and 2023, CPC was awarded conditional grants and contracts from government agencies in the aggregate amounts of $81,489,882 and $100,999,814, respectively, that have not been recorded in the accompanying financial statements, as they have not yet been earned. These grants and contracts require CPC to provide qualifying expenses to conduct certain services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and CPC may be required to return the funds already remitted.

E. ***Allowance for Doubtful Accounts*** - CPC determines whether an allowance for doubtful accounts should be provided for government grants and contracts receivable, and accounts receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, reasonable and supportable forecasts, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of June 30, 2024 and 2023, CPC determined that no allowance was necessary for government grants and contracts receivable, and accounts receivable.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2024 and 2023. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. CPC determines the transaction price based on established rates and contracts for services provided.

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

	2024	2023
Community Services	$ 1,394,711	$ 3,399,435
Early Childcare Services	484,915	488,564
Senior Services	588,102	583,616
School-Age Services	166,395	180,722
Youth Services	2,000	121,239
	$ 2,636,123	$ 4,773,576

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

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

K. ***Advertising Expenses*** - Advertising costs are charged to operations when incurred. Advertising expenses for the years ended June 30, 2024 and 2023 amounted to $207,722 and $102,448, respectively.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. ***Recently Enacted Accounting Standards*** - On July 1, 2023, CPC adopted FASB ASU 2016-03, *Financial Instruments – Credit Losses* (Topic 326), *Measurement of Credit Losses on Financial Instruments* (Accounting Standards Codification ("ASC") 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost which will be presented at the net amount expected to be collected by using an allowance for credit losses.

CPC adopted ASC 326 and all related subsequent amendments thereto effective July 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost. The adoption had no effect on the change in net assets as previously reported.

N. ***Reclassifications*** - Certain items in the June 30, 2023 financial statements have been reclassified to conform to the June 30, 2024 presentation. These changes had no impact on the net assets previously reported.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2024	2023
Cash and cash equivalents	$ 23,944,399	$ 47,311,436
Government grants and contracts receivable	115,584,8540,9 78,916	12,899,007
Accounts receivable	1,341,093	607,000
Contributions receivable	48,025	55,372
Investments	21,429,738	3,874,324
Total financial assets	57,742,171	67,747,139
Less: Investments - Custodial funds	5,808,277	4,135,470
Less: Net assets designated by the Board	207,418	207,418
Less: Net assets with donor restrictions	25,701,246	25,651,226
	$ 26,025,230	$ 37,753,025

As part of CPC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, CPC invests cash in excess of daily requirements in money market accounts. In addition, CPC has a line of credit of $10,000,000 with a financial institution which can be drawn upon if needed (see Note 6).

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

The fair value hierarchy defines three levels as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.
- Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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

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

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

The following are major categories of investments measured at fair value categorized by the fair value hierarchy as of June 30, 2024:

	Level 1	Total
Investments measured at fair value:		
Money market funds	$ 968,432	$ 968,432
Mutual funds	15,346,160	15,346,160
	$ 16,314,592	16,314,592
Investments measured at cost:		
Certificates of deposit		5,115,146
Total		$ 21,429,738

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

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

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

	2024	2023
Interest and dividends	$ 2,153,951	$ 1,335,034
Net realized and unrealized gain	242,809	10,931
Net investment income	$ 2,396,760	$ 1,345,965

NOTE 5 – PROPERTY AND EQUIPMENT

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

	2024	2023	Estimated Useful Lives
Leasehold improvements	$ 110,960	$ 110,960	5 years or lease term
Equipment	99,852	76,858	3-5 years
Furniture and fixtures	30,227	30,227	5 years
Computer software	95,881	95,881	3 years
Total Depreciable Assets	336,920	313,926	
Less: Accumulated depreciation and amortization	(267,537)	(232,649)	
Total	$ 69,383	$ 81,277	

For the years ended June 30, 2024 and 2023, depreciation and amortization expense amounted to $34,888 and $31,892, respectively.

NOTE 6 – LINE OF CREDIT

CPC has a line of credit of $4,000,000, which bears interest at a rate of 1% per annum above the Prime Rate. The line of credit expires annually and is renewable on a yearly basis. CPC had no amounts due under the line of credit for the years ended June 30, 2024 and 2023.

Subsequent to year end, CPC signed a new line of credit of $10,000,000 maturing in September of 2025 with a variable interest rate equal to the Prime Rate. As of November 27, 2024, approximately $2,361,000 was drawn from the line.

NOTE 7 – LEASES

CPC leases some facilities under a month-to-month agreement. It was agreed that the lessor and lessee will give a three-month advance notice regarding any anticipated changes to the agreement. Short-term rent expense for the years ended June 30, 2024 and 2023 was $358,583 and $334,800, respectively.

In addition, CPC leases and operates office facilities and day care centers in different locations in New York City and entered into multiple facilities operating lease agreements that expire at various dates through 2040. In 2024, CPC entered into an operating lease agreement to rent office space from CPC Headquarters, Inc., a related party, expiring in 2034. In determining the Right-of-Use ("ROU") assets and lease liabilities, CPC includes any renewal options when the options are reasonably certain to be exercised.

CPC has elected to use the risk-free rate for all classes of leased assets. Historical par rates from the U.S. Department of the Treasury were used to proxy the risk-free rate for each lease depending on its duration and start date or date of adoption. The weighted-average discount rate is based on applicable risk-free rate selected for each lease. CPC has elected the short-term exemption to not recognize the asset and liability for new leases with a term of 12 months or less.

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted average remaining lease term in years:

	2024	2023
Operating Leases	10.01	10.00

Weighted average discount rate:

	2024	2023
Operating Leases	3.77%	3.09%

NOTE 7 – LEASES (Continued)

As of June 30, 2024 and 2023, the ROU assets had a balance of $32,798,310 and $18,361,677, respectively, and the lease liabilities totaled $33,548,740 and $19,361,302, respectively, as shown in the statements of financial position.

Total lease costs for the years ended June 30, 2024 and 2023 were $4,818,236 and $3,427,236, respectively. Total cash paid by CPC in the determination of the lease liability was $4,708,849 and $3,130,368, respectively, for the years ended June 30, 2024 and 2023.

Future minimum rental payments under these leases for the years ending subsequent to June 30, 2024 are as follows:

2025	$ 4,935,665
2026	4,602,587
2027	4,074,341
2028	3,785,388
2029	3,820,275
Thereafter	19,215,895
	40,434,151
Less: Present value discount	(6,885,411)
Present value of lease liability	$ 33,548,740

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. ***Contingent Liabilities***

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

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

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

C. ***Self-Insurance Reserves***

CPC provides coverage for medical insurance benefits for its employees. CPC is self-insured regarding its medical insurance coverage, (with reinsurance for each eligible claim). To assist with administering the self-insured medical plan, CPC has contracted with UMR, Inc., a third-party administrator, to provide administrative services for this medical insurance benefits program. The accrued liability amounted to $2,424,647 and $1,925,300, respectively, as of June 30, 2024 and 2023, and is included in accrued payroll and benefits on the accompanying statements of financial position.

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

	2024	2023
Balance, beginning of year	$ 1,925,300	$ 1,213,268
Claim estimate	3,684,837	3,072,983
Claims and expenses paid	(3,185,490)	(2,360,951)
Balance, end of year	$ 2,424,647	$ 1,925,300

NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)

CPC is fully liable for all financial and legal aspects of its self-insured employee medical plan. To protect itself against this unfunded financial liability, stop-loss insurance is purchased, under which the excess portion of claims that are above the agreed limit (stop-loss at $150,000 per individual on a 12-month calendar year) would become the responsibility of the reinsurers.

D. ***Income Tax***

CPC believes it had no uncertain tax positions as of June 30, 2024 and 2023 in accordance with FASB ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

E. ***Loan Guarantee***

The primary purpose of NSLDC is to build, own and operate a building in Flushing, Queens to house CPC programs. CPC is the guarantor for the mortgage loan associated with the building. The principal balance outstanding on the mortgage as of June 30, 2024 was $8,568,788. CPC has not recorded a liability related to this guarantee.

NOTE 9 – NET ASSETS

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

In 2007 the CPC Board designated $600,000 that has been received for early termination of a lease related to the Community Services Program, for the costs to be incurred in leasing and renovating a new property for the Community Service Program, as well as to provide for incremental rent expense. As of both June 30, 2024 and 2023, the balance of these Board designated net assets was $207,418. The amount is included in net assets without donor restrictions.

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

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

	2024	2023
Subject to expenditures for specified purpose and (or) passage of time:		
Open Door Senior Center	$ 3,422,148	$ 3,286,912
Nan Shan Senior Center	677,381	666,473
Chinatown Senior Center	141,579	121,726
Senior Citizen Centers - General	291,352	284,977
Unappropriated endowment earnings	159,710	121,009
Affordable housing (subject to HPD approval)	18,325,346	18,325,346
School-Age Services	83,399	86,803
Youth Services	254,996	531,722
Workforce Services	5,800	150,616
Community Services	984,652	1,155,288
Older Adults	373,882	177,211
Other Services	406,583	70,875
Subtotal	25,126,828	24,978,958
Endowment principal held in perpetuity:		
Endowment funds	574,418	672,268
	$ 25,701,246	$ 25,651,226

NOTE 9 – NET ASSETS (Continued)

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

	2024	2023
Open Door Senior Center	$ 36,262	$ 21,975
Nan Shan Senior Center	13,393	14,627
Chinatown Senior Center	4,382	12,370
Senior Citizen Centers - General	125	-
Unappropriated endowment earnings	6,575	-
Early Childcare Services	-	1,101
School-Age Services	11,068	125,447
Youth Services	485,271	521,236
Workforce Services	144,917	39,484
Community Services	1,247,695	1,557,219
Older Adults	141,325	79,968
Endowment Funds	100,000	-
Other Services	127,688	95,016
Subtotal	$ 2,318,701	$ 2,468,445

NOTE 10 – ENDOWMENT FUNDS

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

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

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

CPC has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which could include equity and debt securities that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions that satisfy the intent of the donor while growing the funds, if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

NOTE 10 – ENDOWMENT FUNDS (Continued)

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

Changes in endowment funds for the year ended June 30, 2024 are as follows:

	Endowment Earnings	Endowment Corpus	Total
Investment activity gain	$ 45,276	$ -	$ 45,276
Additions	-	2,150	2,150
Amount appropriated	(6,575)	-	(6,575)
Corpus release instructed by donor	-	(100,000)	(100,000)
Net change	38,701	(97,850)	(59,149)
Balance, beginning of year	121,009	672,268	793,277
Balance, end of year	$ 159,710	$ 574,418	$ 734,128

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

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

Endowment net assets of $734,128 and $793,277 are included with investments on the statements of financial position as of June 30, 2024 and 2023, respectively.

NOTE 11 – CONCENTRATIONS

A. ***Credit Risk***

Cash and cash equivalents that potentially subject CPC to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to $250,000 per depositor, per insured financial institution. As of June 30, 2024 and 2023, there was $40,807,164 and $55,484,549 of cash, cash equivalents and restricted cash that exceeded FDIC limits, respectively.

NOTE 11 – CONCENTRATIONS (Continued)

B. ***Revenue Concentration***

CPC received grants from various government agencies totaling $46,814,241 and $44,861,180, respectively, which represent 72% and 59% of total operating revenue and support during the years ended June 30, 2024 and 2023, respectively. For the year ended June 30, 2024, government contracts revenue from four funders represented 76% of total government grants and contracts revenue. Also, for the year ended June 30, 2023, CPC received a contribution from one private donor totaling $15,000,000, which represented 76% of total contributions and private grants. For the year ended June 30, 2023, government contracts revenue from three funders represented 63% of total government grants and contracts revenue.

NOTE 12 – DEFERRED REVENUE

In connection with CPC One's ground lease agreement with the construction developer, CPC is entitled to a fit-out allowance equal to $4,000,000 to be used for renovation of community facility leasehold condominium units that will be constructed by the developer. In 2021, CPC received a $2,331,998 fit-out allowance, which is recorded as deferred revenue in the accompanying statements of financial position as of June 30, 2023.

During 2024, CPC received the remaining fit-out allowance upon completion of the renovation. As such, CPC recognized $4,000,000 of revenue as other income during the year ended June 30, 2024.

NOTE 13 – RELATED-PARTY TRANSACTIONS

As of June 30, 2024, NSLDC, Hong Ning LLC, CPC One, CPC Headquarters, Inc., CPC Brooklyn, CPC Norfolk and CPC Suffolk owed $11,199,840, $6,000, $603,531, $16,849,168, $524,420, $28,698 and $61,820, respectively, to CPC. CPC owed $266,603 and $50,019, respectively, to CTCI and to LDC. These represent normal operating expenses and advances, which are noninterest-bearing and due on demand.

As of June 30, 2024, CPC has paid off the loan from HAP in full with no interest charged for the year ended June 30, 2024.

In 2024 CPC entered into an operating lease agreement to rent office space from CPC Headquarters, Inc., a related party, expiring in 2034.

CPC, as the parent organization of HAP, receives management and licensing fees from HAP. The total management and licensing fees received for the year ended June 30, 2024, amounted to $3,860,414, and $524,000 and are included under licensing fee and management fee income, respectively, in the accompanying statement of activities. Outstanding management fee and licensing fees amounted to $291,661 and $2,388,846, respectively, as of June 30, 2024.

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

As of June 30, 2023, NSLDC, Hong Ning LLC, CPC One, CPC Headquarters, Inc., CPC Norfolk and CPC Suffolk owed $11,079,290, $1,037,220, $603,531, $6,927,619, $37,087 and $58,588, respectively, to CPC. CPC owed $288,291 to CTCI. These represent normal operating expenses and advances, which are noninterest-bearing and due on demand.

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

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

NOTE 14 – PENSION PLAN

CPC maintains a 403(b) Plan ("403(b) Plan") which covers all eligible full-time employees who elect to participate. CPC does not make contributions to the 403(b) Plan. There were no pension expenses for the years ended June 30, 2024 and 2023.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through November 27, 2024, the date the financial statements were available to be issued.