

**CHINESE-AMERICAN PLANNING
COUNCIL, INC.**

**AUDITED FINANCIAL STATEMENTS
AND OMB CIRCULAR A-133
SUPPLEMENTARY REPORTS**

JUNE 30, 2010

**TCBA WATSON RICE LLP
CERTIFIED PUBLIC ACCOUNTANTS**

CHINESE-AMERICAN PLANNING COUNCIL, INC.
JUNE 30, 2010

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of assets, liabilities and net assets of Chinese-American Planning Council, Inc. (hereinafter referred to as "CPC"), as of June 30, 2010, and the related statements of support, revenues and expenses, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of CPC's management. 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, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the New York City Administration for Children's Services (ACS) Single Audit Guide. Those standards and guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2 to the financial statements, these financial statements were prepared on the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of CPC as of June 30, 2010, and the revenues and expenses, and its cash flows for the year then ended on the basis of accounting described in Note 2.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2010, on our consideration of CPC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, contracts and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of CPC taken as a whole. The accompanying schedule of expenditures of federal awards on pages 16 to 23 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

TCBA Watson Rice LLP

New York, New York
December 18, 2010

CHINESE-AMERICAN PLANNING COUNCIL, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
YEAR ENDED JUNE 30, 2010

ASSETS

Cash and cash equivalents (Note 3)	\$ 2,547,177
Grants and contracts receivable (Note 4)	3,412,469
Accounts receivable	355,390
Prepaid expenses and deposits	244,359
Investments (Note 5)	4,322,997
Due from affiliates	<u>783,287</u>
Total Current Assets	11,665,679
Memorial plots	51,209
Property and equipment (Note 6)	<u>28,328</u>
Total Assets	<u>\$ 11,745,216</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses (Note 7)	\$ 1,264,763
Refundable advances and deferred revenues (Note 8)	1,569,161
Other current liabilities (Note 9)	<u>3,879,486</u>
Total Current Liabilities	<u>6,713,410</u>

Net Assets

Unrestricted	
Undesignated	(80,128)
Designated for Community Services Program's lease contract (Note 11)	<u>398,960</u>
Total Unrestricted Net Assets	318,832
Temporarily restricted	<u>4,712,974</u>
Total Net Assets	<u>5,031,806</u>
Total Liabilities and Net Assets	<u>\$ 11,745,216</u>

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
STATEMENT OF SUPPORT, REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2010

SUPPORT AND REVENUES

Government grants and contracts	\$ 17,566,743
Contributions and private grants	142,529
Service fees	1,142,140
Other income and public support	354,592
Fund raising and event	<u>332,575</u>
Total Support and Revenues	<u>19,538,579</u>

EXPENSES

Program Services

Workforce	1,121,353
Child care	5,944,423
Youth services	3,448,761
Senior citizens' services	3,449,704
Community services	<u>4,654,897</u>
Total Program Services	<u>18,619,138</u>

Support Services

Management and general	2,298,702
Fundraising/development	<u>65,042</u>
Total Support Services	<u>2,363,744</u>
Total Expenses	<u>20,982,882</u>

Change in Unrestricted Net Assets	<u>(1,444,303)</u>
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Net Assets - Beginning of Year, As Previously Stated	6,636,182
Prior Period Adjustments (Note 13)	<u>(160,073)</u>
Net Assets - Beginning of Year, As Restated	<u>6,476,109</u>
Net Assets - End of the Year	<u><u>\$ 5,031,806</u></u>

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC. AND AFFILIATES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

	CPC									
	Program Services					Support Services				
	Workforce	Child Care	Youth Services	Senior Citizens' Services	Community Services	Total	Management and General	Fund-Raising	Total	
Personnel Costs										
Salaries	\$ 731,531	\$ 4,002,812	\$ 2,096,647	1,923,936	\$ 2,457,396	\$ 11,212,322	\$ 914,004	\$ -	\$ 12,126,326	
Fringe benefits	188,248	708,568	452,413	238,492	639,183	2,226,904	290,253	-	2,517,157	
Total Salaries and Benefits	919,779	4,711,380	2,549,060	2,162,428	3,096,579	13,439,226	1,204,257	-	14,643,483	
Program Activities										
Educational materials	-	58,141	4,422	-	3,732	66,295	-	-	66,295	
Job inducement	-	-	-	-	-	-	-	-	-	
Food/non-food	185	358,936	19,254	659,091	11,400	1,048,866	1,309	-	1,050,175	
Performance/stage/sound fees	-	-	-	-	-	-	-	-	-	
Physical/medical exams	-	-	-	-	-	-	-	-	-	
Participant expenses	-	-	100,372	-	21,804	122,176	12,127	-	134,303	
Program services/fundraising	-	16,772	-	-	2,020	18,792	-	27,050	45,842	
Professional Services										
Audit fees	1,121	16,880	937	-	24,033	42,971	57,529	-	100,500	
Legal fees	-	-	-	-	-	-	696	-	696	
Consultant	475	9,321	90,545	61,456	37,551	199,348	198,005	11,500	408,853	
Occupancy Costs										
Rent	120,921	359,419	263,141	192,648	364,042	1,300,171	414,972	-	1,715,143	
Utilities	5,059	31,780	15,553	10,711	42,016	105,119	24,018	-	129,137	
Building maintenance and repairs	-	11,224	87,483	3,055	43,263	145,025	12,459	-	157,484	
Others										
Supplies	8,698	51,481	63,092	49,721	67,618	240,610	13,446	-	254,056	
Telephone	12,433	25,396	13,139	19,632	58,332	128,932	75,674	-	204,606	
Insurance	5,045	67,961	-	24,871	7,320	105,197	73,579	-	178,776	
Transportation/travel related	867	12,852	72,983	18,867	13,946	119,515	5,780	-	125,295	
Equipment purchase/rental	6,887	28,871	62,804	192,524	38,588	329,674	32,333	-	362,007	
Printing/postage/subscriptions	7,243	271	4,276	198	48,396	60,384	85,099	1,860	147,343	
Promotion/public relations	5,165	14,712	-	-	179,889	199,766	22,454	1,810	224,030	
Contribution/donation	-	-	-	-	500,000	500,000	-	-	500,000	
Staff training/conference/advertising	-	-	1,480	433	16,723	18,636	525	-	19,161	
Contracted costs/services	-	-	-	-	57,411	57,411	-	-	57,411	
Interest and loan fees	-	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	-	
Miscellaneous	27,475	169,026	100,220	54,069	20,234	371,024	2,641	-	2,641	
Total Expenses	\$ 1,121,353	\$ 5,944,423	\$ 3,448,761	\$ 3,449,704	\$ 4,654,897	\$ 18,619,138	\$ 2,298,702	\$ 65,042	\$ 20,982,882	

See notes to consolidated financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Change in unrestricted net assets	\$ (1,444,303)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation expense	2,641
Prior period adjustments	(160,073)
(Increase)decrease in:	
Grants and contracts receivable	(1,283,018)
Accounts receivable	1,135,928
Prepaid expenses and deposits	105,139
Due from affiliates	548,612
Increase(decrease) in:	
Accounts payable and accrued expenses	(740,225)
Refundable advances and deferred revenues	580,255
Other current liabilities	(1,711,008)
Due to funding sources	<u>(36,214)</u>
Net cash used in operating activities	<u>(3,002,266)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment	(28,328)
Transfer of property	1,350,183
Sale of investments	1,070,417
Project pre-development costs	<u>759,923</u>
Net cash provided by investing activities	<u>3,152,195</u>
Net increase in cash	149,929
Cash and cash equivalents, beginning	<u>2,397,248</u>
Cash and cash equivalents, ending	<u>\$ 2,547,177</u>

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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. Its primary purpose is to provide multi-social and educational services to New York City's Chinese-American community. CPC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

CPC reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, described as follows:

Unrestricted net assets – Consists of net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets – Consists of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization. The temporarily restricted assets include all revenues and contributions designated for program activities.

Permanently restricted net assets – Consists of assets whose use by the organization 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 restrictions and used in CPC's operations.

CPC has no permanently restricted net assets as of June 30, 2010.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

The accompanying financial statements have been prepared in accordance with the modified accrual basis of accounting, which is a comprehensive basis of accounting other than the accounting principles generally accepted in the United States of America, as follows:

Vacation and Sick Leave

Under the New York City Administration for Children's Services ("NYC-ACS") grant agreements, vacation and sick leave are recognized at the time it is used during the year. Accordingly, no provision for future liabilities is made in the financial statements for accrued vacation and sick leave earned by employees working on NYC-ACS Programs. At June 30, 2010, the unrecorded and unfunded liability for vacation and sick leave earned by employees working on NYC-ACS programs' amounted to \$285,144 and \$314,060, respectively.

Equipment Purchases

Equipment purchased with funds provided through grant contracts under which title remains with the grantor are expensed at the time of purchase.

Investments

Investments in marketable securities with determinable fair values and all investments in debt securities are reported at their fair value in the Statement of Financial Position. All gains and losses arising from the sale or other disposition of investments and other non-cash assets are accounted for in CPC's operating fund as unrestricted and are included in the accompanying statement of support, revenues and expenses as part of other income and public support.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Adoption of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820 - Fair Value Measurements and Disclosures

CPC adopted FASB ASC 820 which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The *fair value* is the price 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.

Fair Value Hierarchy

FASB ASC 820 establishes fair value hierarchy that distinguishes between (1) market participants assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs), and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that CPC has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Support and Revenues

Grants and contributions are recorded as revenues when received, or when amounts and collectibility 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 purchased with acquisition cost of \$1,000 and above are carried at cost and those acquired by gifts and bequests are carried at appraised or fair market value at the date of the gift, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributed Services and Property

Contributions of donated non-cash 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 the CPC's various program services; however, these donated services are not reflected in the financial statements since they do not meet the recognition criteria.

Interfund Obligations

Interfund obligations are currently payable and do not bear interest.

Allocation of Costs

Allocation of common costs to programs is based on actual usage and percentage of personnel time devoted to each program. Allocation of funds to programs is determined in accordance with the grant provisions.

Use of Estimates

The preparation of financial statements in conformity with the modified accrual basis of accounting as described above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Chinese-American Planning Council is a not-for-profit organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for such taxes has been included in the accompanying financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

3. CASH AND CASH EQUIVALENTS

The account consists of the following as of June 30, 2010:

Petty cash funds	\$	8,483
Operating funds		2,087,250
Payroll accounts		<u>451,444</u>
	\$	<u>2,547,177</u>

CPC maintains cash balances at several banks. Accounts at each institution are insured by the FDIC up to \$250,000.

4. GRANTS AND CONTRACTS RECEIVABLE

The account consists of the following as of June 30, 2010:

From government grants	\$	3,411,998
From private foundations		<u>471</u>
Totals	\$	<u>3,412,469</u>

5. INVESTMENTS

Investments comprise of the following as of June 30, 2010:

	Cost	Fair Value	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificate of deposits	\$3,239,372	\$3,239,372	\$ -	\$ 3,239,372
Money market placements	711,635	711,635		711,635
Equities and options	<u>324,036</u>	<u>371,990</u>	<u>371,990</u>	<u>-</u>
	<u>\$4,275,043</u>	<u>\$4,322,997</u>	<u>\$ 371,990</u>	<u>\$ 3,951,007</u>

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

5. INVESTMENTS - CONTINUED

The net appreciation in the market value of investments is summarized as follows:

Equities and options	<u>\$ 47,954</u>
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6. PROPERTY AND EQUIPMENT

The account consists of the following as of June 30, 2010:

	<u>Estimated Life</u>	<u>Amount</u>
Leasehold improvements	5 years	\$ 203,298
Equipment	5 years	71,486
Furniture and fixtures	5 years	30,487
Vehicle	5 years	<u>28,328</u>
Total depreciable assets		333,599
Less: Accumulated depreciation		<u>(305,271)</u>
Property and Equipment, net		<u>\$ 28,328</u>

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The account consists of the following as of June 30, 2010:

Vendor payables	\$ 303,904
Payroll and related taxes	<u>960,859</u>
	<u>\$ 1,264,763</u>

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

8. REFUNDABLE ADVANCES AND DEFERRED REVENUES

The account consists of the following as of June 30, 2010:

From government grants	\$	863,412
From fee for service programs		<u>705,749</u>
	\$	<u><u>1,569,161</u></u>

9. OTHER CURRENT LIABILITIES

The account consists of the following as of June 30, 2010:

Custodial funds	\$	2,751,875
Other liabilities		<u>1,127,611</u>
Totals	\$	<u><u>3,879,486</u></u>

Certain programs of CPC formed advisory committees to raise funds for related and specific purposes. Disbursements from these funds must have the authorization from 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, 2010, the balances related to these activities which are included in the accompanying financial statements are as follows:

Cash and cash equivalents	\$	1,229,663
Investments		1,471,003
Memorial plots		<u>51,209</u>
Total assets		2,751,875
Less: Total liabilities		<u>(2,751,875)</u>
Net Assets	\$	<u><u>-</u></u>

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

10. LEASES

CPC leases an office space at 150 Elizabeth Street, New York under an operating lease, which commenced on June 1, 2004 and expired on May 31, 2009. The lease was modified and extended for a period of three years expiring on May 31, 2012. Rental expense for the year ended June 30, 2010 amounted to \$205,701. Future minimum rental payments under this non-cancelable operating lease subsequent to June 30, 2010 in the aggregate amounted to \$411,412.

CPC's Day Care Centers are negotiating for renewal of lease agreements except for Chung Pak Day Care, which has an operating lease agreement for twenty eight years that commenced on July 1, 1993 and will end on June 30, 2021, at an annual rate of \$111,500. Rental expense for the year ended June 30, 2010 amounted to \$111,500.

Rental expenses incurred by other programs operated by CPC for the year ended June 30, 2010 amounted to \$1,192,231.

11. BOARD DESIGNATED NET ASSETS

On November 14, 2007, CPC received \$600,000 from 365 Broadway Associates LLC, the Landlord, as compensation for the early termination and surrender of the lease agreement for its Community Services Program, effective April 19, 2007. The original lease agreement should have expired on October 31, 2007. This amount has since been designated by the Board to cover the following:

- costs to be incurred in leasing and renovating a new property for the program; and
- incremental rent expenses, in the event that the new location is to be leased at a higher rate.

As of June 30, 2010, total incremental costs incurred in relation to the new lease agreement amounted to \$201,040 and were offset against the \$600,000 payout received from the Landlord. Said funds are presented as part of CPC's unrestricted net assets that were designated by the Board to cover incremental rent expenses for the Community Services Program.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

12. PRIOR PERIOD ADJUSTMENTS

Net assets at the beginning of 2010 have been adjusted in the amount of \$160,073 to reconcile the deferred revenue account related to the various programs. The correction has no effect on the current results of CPCs' activities. However, the cumulative effect decreases net assets at the beginning of 2010 by \$160,073.

13. CONTINGENT LIABILITIES

Grants and revenues from services rendered are subject to audit by the government agencies. In the past, the CPC has been audited by the New York City Department of Youth and Community Development (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.

14. CONCENTRATIONS OF CREDIT RISKS

Financial instruments which potentially subject CPC to a concentration of credit risk are cash 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.

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 Department of Youth and Community Development. 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.

15. SUBSEQUENT EVENTS

In accordance with the generally accepted accounting principles (ASC Topic 855), subsequent events have been evaluated through December 18, 2010, which is the date of the financial statements were available to be issued.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grantor/Passed Through Grantor/Program Title	Federal CFDA#	Pass Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through the City of New York			
<u>Administration for Children's Services</u>			
Child Care & Development Block Grant			
Day Care Programs	93.575	309	\$ 1,410,288
Infant Toddler			
07/01/09-09/30/09	93.575	N/A	16,584
10/01/10-06/30/10	93.575	N/A	43,375
CCC&R	93.575	C024068	1,274,755
			<u>2,745,002</u>
Passed through the City of New York			
<u>Administration for Children's Services</u>			
Social Service Block Grant			
Asian Family Services			
07/01/09-12/31/09	93.667	CT 068 20060023167	170,122
01/01/10-06/30/10	93.667	CT 068 20101403378	135,415
			<u>305,537</u>
Passed through the City of New York			
<u>Department for the Aging</u>			
Social Services Block Grant			
NY Chinatown Senior Center	93.667	20100000756	145,363
Project Open Door	93.667	20080001003	212,563
Queens Senior Citizen Center	93.667	20100000686	76,265
			<u>434,191</u>
			<u>739,728</u>

See notes to schedule of expenditures of federal awards.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

Federal Grantor/Passed Through Grantor/Program Title	Federal CFDA#	Pass Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services - Continued</u>			
Passed through the City of New York Department for the Aging			
Aging Cluster			
Title III-B of the Older American Act of 1965. Grant for Support Services			
Queens Senior Citizens Center	93.044	20100000686	\$ 31,263
NY Chinatown Senior Center	93.044	20100000756	26,783
Project Open Door	93.044	20080001003	23,916
Title III-C1 of the OAA-Nutrition Services in a Congregate Setting			
NY Chinatown Senior Center	93.045	20100000756	67,766
Queens Senior Citizens Center	93.045	20100000686	47,605
Nutrition Service Incentive Program			
NY Chinatown Senior Center	93.053	20100000756	52,346
Queens Senior Citizens Center	93.053	20100000686	29,183
Project Open Door	93.053	20080001003	58,863
ARRA-Aging Congregate Nutrition Services for States			
NY Chinatown Senior Center	93.707	20100000756	20,182
Queens Senior Citizens Center	93.707	20100000686	6,072
Project Open Door	93.707	20080001003	18,920
Total Aging Cluster			<u>382,899</u>

See notes to schedule of expenditures of federal awards.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

Federal Grantor/Passed Through Grantor/Program Title	Federal CFDA#	Pass Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services - Continued</u>			
Passed through the City of New York			
<u>Department for the Aging</u>			
Title III-D of the OAA-in Home Services for Frail Older Individuals			
Queens Senior Citizens Center	93.043	20100000686	\$ 2,001
NY Chinatown Senior Center	93.043	20100000756	4,461
			<u>6,462</u>
Passed through the City of New York			
<u>Department of Youth and Community Development</u>			
<u>Community Services Block Grant Cluster</u>			
Community Services Block Grant			
NDA Queens	93.569	840700	74,898
NDA Manhattan	93.569	130302	64,955
			<u>139,853</u>
ARRA - Community Services Block Grant			
SYEP ARRA Block GR	93.710	90770	31,203
Beacon ARRA	93.710	9917	34,736
Lower Wage Worker	93.710		24,910
ARRA LITERACY	93.710		119,732
ARRA PS 42	93.710		10,999
ARRA PS 124	93.710		17,477
ARRAPS20 Q	93.710		19,996
ARRA PS19 & 30	93.710		31,345
ARRA OST PS 153	93.710		5,422
			<u>295,820</u>
			<u>435,673</u>

See notes to schedule of expenditures of federal awards.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

Federal Grantor/Passed Through Grantor/Program Title	Federal CFDA#	Pass Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services - Continued</u>			
<u>Passed through Metropolitan Council on Jewish Poverty</u>			
Medicare Part D			
Medicare Outreach Program			
12/01/09-05/31/10	93.071	N/A	\$ 11,992
MCJP Child/Family Health Plus (B)			
07/01/09-12/31/09	93.767	C021691	21,919
01/01/10-06/30/10	93.767	C021691	18,141
			40,060
<u>Passed through the Children's Aid Society</u>			
Health Care Access Program (HCAP)			
Children Health Plus/Family Health Plus (M)			
07/01/09-06/30/10	93.767	N/A	22,446
			62,506
<u>Passed through New York State Office of Children and Family Services</u>			
Family Resource Center	93.590	C025420	42,750
<u>Passed through the Health Research, Inc.</u>			
HIV Prevention Activities –			
Non-Governmental Organization Based			
Center for Disease Control	93.939	CDC04064	44,508
Total for U.S. Department of Health & Human Services			4,471,520

See notes to schedule of expenditures of federal awards.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

Federal Grantor/Passed Through Grantor/Program Title	Federal CFDA#	Pass Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education</u>			
<u>Passed through the United Way of New York City</u> 21st Century Community Learning Center	84.287	N/A	\$ 126,349
Total for U.S. Department of Education			<u>126,349</u>
<u>U.S. Department of Labor</u>			
<u>Passed through the City of New York Department of Youth and Community Development</u>			
WIA Cluster			
In School Youth Brooklyn			
06/01/08-08/31/08 Extended	17.259	20070016710	12,614
09/01/08-08/31/09 Extended	17.259	20070016710	79,667
09/01/09-06/30/10	17.259	20070016710	109,616
In School Youth Queens			
06/01/08-08/31/08 Extended	17.259	20070016393	14,877
09/01/08-08/31/09 Extended	17.259	20070016393	61,712
09/01/09-06/30/10	17.259	20070016393	49,845
In School Youth Manhattan			
06/01/08-08/31/08 Extended	17.259	20070016248	12,925
09/01/08-08/31/09 Extended	17.259	20070016248	54,723
09/01/09-06/30/10	17.259	20070016248	60,585
In School Youth Stimulus Brooklyn-9/1/09-6/30/10	17.259	20100009239	42,976
In School Youth Stimulus Queens-9/1/09-6/30/10	17.259	20100008050	23,101
In School Youth Stimulus Manhattan-9/1/09-6/30/10	17.259	20100008030	22,388
OST High School Queens 9/1/09-6/30/10	17.259	20100011367	58,131
OST High School Manhattan 9/1/09-6/30/10	17.259	20100011114	84,937

See notes to schedule of expenditures of federal awards.

CHINESE-AMERICAN PLANNING COUNCIL, INC.**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED**

Federal Grantor/Passed Through Grantor/Program Title	Federal CFDA#	Pass Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Labor: - Continued</u>			
Passed through the City of New York Department of Youth and Community Development - Continued			
WIA Cluster - Continued			
ARRA SYEP Brooklyn 04/1/09-6/30/09	17.259	90769	\$ 20,939
ARRA SYEP Queens 04/1/09-6/30/09	17.259	90771	25,895
ARRA SYEO Manhattan 04/1/09-6/30/09	17.259	90770	123,603
			<u>858,534</u>
Passed through the Department for Small Business			
WIA Disclosed Worker	17.260		<u>404,300</u>
Total WIA Cluster			<u>1,262,834</u>
Passed through the Senior Service America, Inc.			
Senior Community Service Employment Program	17.235	139	885,737
SSAI CAA	17.235	139	33,066
SSAI ARRA	17.235	139	160,988
			<u>1,079,791</u>
Total for U.S. Department of Labor			<u>2,342,625</u>
<u>U.S. Department of Justice</u>			
Passed through the New York State Division of Criminal Justice Services			
Edward Byrne Memorial Justice Assistance Grant Program			
07/01/09-12/31/09	16.738	C632076	41,365
01/01/10-06/30/10	16.738	C632112	14,329
			<u>55,694</u>

See notes to schedule of expenditures of federal awards.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

Federal Grantor/Passed Through Grantor/Program Title	Federal CFDA#	Pass Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Justice - Continued</u>			
<u>Passed through TASC</u>			
Scholars In Training	16.541	G10125	\$ 8,311
Total for U.S. Department of Justice			64,005
<u>U.S. Department of Housing and Urban Development (HUD)</u>			
<u>Passed through the City of New York Department of Housing Preservation and Development</u>			
<u>Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii</u>			
Community Outreach & Public Education	14.228	6584	153,760
<u>Passed through the City of New York Department for the Aging</u>			
<u>Community Development Block Grants/ Entitlement Grants</u>			
Project Open Door	14.218	20080001003	135,524
NY Chinatown Senior Center	14.218	20100000756	57,000
<u>Passed through the City of New York Department of Housing Preservation and Development</u>			
HPD-Fair Housing	14.218	CT 806 20070028871	118,455
			310,979
Total for U.S. Department of Housing and Urban Development			464,739

See notes to schedule of expenditures of federal awards.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

Federal Grantor/Passed Through Grantor/Program Title	Federal CFDA#	Pass Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Agriculture (USDA)</u>			
<u>Passed through the Nutrition Consortium of New York State</u>			
Supplemental Nutrition Assistance Program	10.561	N/A	<u>\$ 33,653</u>
 <u>Passed through the State of New York Department of Health</u>			
Child/Adult Care Food Program			
07/01/09-09/30/09	10.558	3111	140,615
10/01/09-06/30/10	10.558	3111	<u>270,071</u>
			<u>410,686</u>
 Total for U.S. Department of Agriculture			 <u>444,339</u>
 Total Federal Expenditures			 <u>\$ 7,913,577</u>

See notes to schedule of expenditures of federal awards.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of CPC under programs of the federal government for the year ended June 30, 2010. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, 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.

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 principles 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. Pass-through entity identifying numbers are presented where available.

3. DAY CARE PROGRAMS

The expenditures of \$1,410,288 in the schedule represent the Federal portion of the \$2,390,319 total Day Care Programs' expenditures. For the year ended June 30, 2010, the levels of funding provided for the programs are as follows:

	<u>Percentage</u>	<u>Amount</u>
Federal	59%	\$ 1,410,288
New York State	10%	239,032
New York City	<u>31%</u>	<u>740,999</u>
Total	<u>100%</u>	<u>\$ 2,390,319</u>

**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 of
Chinese-American Planning Council, Inc.

We have audited the financial statements of Chinese-American Planning Council, Inc. ("CPC"), as of and for the year ended June 30, 2010, and have issued our report thereon, dated December 18, 2010. 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. Our report on the financial statements disclosed that, as described in Note 2 to the financial statements, CPC prepares its financial statements on the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CPC's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CPC's internal control over financial reporting.

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 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.

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 – CONTINUED

Internal Control Over Financial Reporting – Continued

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPC's financial statements are free of 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*.

We noted certain matters that we reported to management of CPC in a separate letter dated December 18, 2010.

This report is intended solely for the information and use of the Board of Directors, management of CPC, and those agencies listed in the accompanying Schedule of Expenditures of Federal Awards, and are not intended to be and should not be used by anyone other than these specified parties.

TCBA Watson Rice LLP

New York, New York
December 18, 2010

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Chinese-American Planning Council, Inc. ("CPC"), with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. CPC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of CPC's management. Our responsibility is to express an opinion on CPC's compliance based on our audit.

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. Our audit does not provide a legal determination on CPC's compliance with those requirements.

In our opinion, CPC complied, in all material respects, with the 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, 2010.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 – CONTINUED

Internal Control Over Compliance

Management of CPC is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered CPC's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management of CPC, and those agencies listed in the accompanying Schedule of Expenditures of Federal Awards, and are not intended to be and should not be used by anyone other than these specified parties.

TCBA Wabon Rie LLP

New York, New York
December 18, 2010

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	<u>Unqualified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> yes	<u> ✓ </u> no
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> yes	<u> ✓ </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> ✓ </u> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> yes	<u> ✓ </u> no
Significant Deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> yes	<u> ✓ </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section, 510(a)	<u> </u> yes	<u> ✓ </u> no

Identification of major programs

<u>CFDA No.</u>	<u>Name of Federal program or Clusters</u>
14.228	Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii
17.259/17.260	WIA Youth Activities Cluster
93.044/45/53/707	Aging Cluster
93.575	Child Care and Development Block Grant
93.667	Social Service Block Grant
93.569/93.710	Community Services Block Grant Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
Auditee qualified as a low-risk auditee?	<u> ✓ </u> yes <u> </u> no

**CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

SECTION II – FINANCIAL STATEMENT FINDINGS

Current Year

None noted.

Prior Year

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Current Year

None noted.

Prior Year

None noted.