

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

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

JUNE 30, 2011

**TCBA WATSON RICE LLP
CERTIFIED PUBLIC ACCOUNTANTS**

CHINESE-AMERICAN PLANNING COUNCIL, INC.
JUNE 30, 2011

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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 financial position of Chinese-American Planning Council, Inc. (hereinafter referred to as "CPC"), as of June 30, 2011, and the related statements of support, revenues and expenses, functional expenses and cash flows, and 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the New York City Administration for Children's Services Single Audit Guide. Those standards 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 consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. 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 discussed in Note 2 to the financial statements, CPC adopted the preparation of its financial statements on the accrual basis of accounting effective in 2011.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CPC as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2011 on our consideration of CPC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards 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 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
November 11, 2011

CHINESE-AMERICAN PLANNING COUNCIL, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
YEAR ENDED JUNE 30, 2011

ASSETS

Cash and cash equivalents (Note 3)	\$ 2,896,952
Grants and contracts receivable (Note 4)	2,401,126
Accounts receivable	123,484
Prepaid expenses and deposits	228,790
Investments (Note 5)	3,457,952
Due from affiliates	1,694,714
Memorial plots	69,909
Property and equipment (Note 6)	22,662
Total Assets	\$ 10,895,589

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses (Note 7)	\$ 1,488,563
Refundable advances and deferred revenues (Note 8)	238,889
Other liabilities (Note 9)	3,868,778
Total Liabilities	5,596,230

Net Assets

Unrestricted (Note 11)	5,224,022
Temporarily restricted (Note 11)	3,741
Permanently restricted (Note 11)	71,596
Total Net Assets	5,299,359

Total Liabilities and Net Assets	\$ 10,895,589
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See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
STATEMENT OF SUPPORT, REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES				
Government grants and contracts	\$17,406,061	\$ -	\$ -	\$17,406,061
Contributions and private grants	86,092	-	-	86,092
Service fees	1,627,165	-	-	1,627,165
Other income and public support	148,511	-	-	148,511
Investment income	145,924	3,741	-	149,665
Fundraising events	873,027	-	71,596	944,623
	<u>20,286,780</u>	<u>3,741</u>	<u>71,596</u>	<u>20,362,117</u>
Net assets released from restrictions	-	-	-	-
Total Support and Revenues	<u>20,286,780</u>	<u>3,741</u>	<u>71,596</u>	<u>20,362,117</u>
EXPENSES				
<u>Program Services</u>				
Child care	5,929,970	-	-	5,929,970
Community services	4,223,969	-	-	4,223,969
Senior citizens' services	3,435,955	-	-	3,435,955
Youth services	2,858,084	-	-	2,858,084
Workforce	675,086	-	-	675,086
Literacy	189,429	-	-	189,429
Total Program Services	<u>17,312,493</u>	<u>-</u>	<u>-</u>	<u>17,312,493</u>
<u>Support Services</u>				
Management and general	2,285,717	-	-	2,285,717
Fundraising/development	175,581	-	-	175,581
Total Support Services	<u>2,461,298</u>	<u>-</u>	<u>-</u>	<u>2,461,298</u>
Total Expenses	<u>19,773,791</u>	<u>-</u>	<u>-</u>	<u>19,773,791</u>
Changes in Net Assets	<u>512,989</u>	<u>3,741</u>	<u>71,596</u>	<u>588,326</u>
Net Assets - Beginning of Year, As Previously Reported	318,832	4,712,974	-	5,031,806
Cumulative Effect of Change from Modified Accrual to Accrual Basis of Accounting (Note 2)	(760,722)	-	-	(760,722)
Prior Period Adjustments (Note 12)	5,152,923	(4,712,974)	-	439,949
Net Assets - Beginning of Year, As Restated	<u>4,711,033</u>	<u>-</u>	<u>-</u>	<u>4,711,033</u>
Net Assets - End of the Year	<u>\$ 5,224,022</u>	<u>\$ 3,741</u>	<u>\$ 71,596</u>	<u>\$ 5,299,359</u>

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011

	Program Services						Support Services			Total	
	Child Care	Community Services	Senior Citizens' Services	Youth Services	Workforce	Literacy	Total Program Services	Management and General	Fund- Raising	Total Support Services	Program & Support Services
<u>Personnel Costs</u>											
Salaries	\$ 3,916,233	\$ 2,472,956	\$ 2,127,569	\$ 1,789,975	\$ 420,025	\$ 141,348	\$ 10,868,106	\$ 928,112	\$ 927	\$ 929,039	\$ 11,797,145
Fringe benefits	730,926	648,397	270,981	404,451	113,690	34,186	2,202,631	314,594	71	314,665	2,517,296
Total personnel costs	4,647,159	3,121,353	2,398,550	2,194,426	533,715	175,534	13,070,737	1,242,706	998	1,243,704	14,314,441
<u>Program Activities</u>											
Educational materials	23,065	4,649	-	2,356	-	-	30,070	-	-	-	30,070
Food/non-food	394,921	12,547	618,735	14,031	-	-	1,040,234	1,911	2,136	4,047	1,044,281
Other program supplies	68,418	1,000	-	-	-	-	69,418	-	7,889	7,889	77,307
Participant expenses	1,066	47,984	24,056	44,055	-	-	117,161	-	37,068	37,068	154,229
Program services/fundraising	96,188	126,951	39,101	78,051	7,431	1,403	349,125	-	32,459	32,459	381,584
<u>Professional Services</u>											
Audit fees	-	-	-	-	-	-	-	75,000	-	75,000	75,000
Legal fees	-	2,000	-	-	-	-	2,000	7,043	-	7,043	9,043
Consultant	8,841	6,750	39,461	114,390	39,770	-	209,212	90,466	53,300	143,766	352,978
Payroll preparation	-	-	-	-	-	-	-	71,940	-	71,940	71,940
<u>Occupancy Costs</u>											
Rent	369,775	434,679	207,821	221,740	69,148	5,667	1,308,830	349,944	-	349,944	1,658,774
Utilities	22,888	44,691	10,017	11,506	5,571	-	94,673	24,220	-	24,220	118,893
Building maintenance and repairs	23,193	33,772	7,850	2,796	-	-	67,611	12,916	-	12,916	80,527
<u>Others</u>											
Supplies	86,493	73,054	53,156	60,269	1,217	1,480	275,669	6,148	213	6,361	282,030
Telephone	29,071	68,259	20,617	10,867	6,082	4,633	139,529	52,999	2	53,001	192,530
Internet maintenance	-	909	-	-	-	-	909	39,028	-	39,028	39,937
Insurance	-	-	-	-	-	-	-	204,979	-	204,979	204,979
Transportation/travel related	14,637	13,493	16,457	56,444	97	712	101,840	6,375	-	6,375	108,215
Equipment purchase/rental	55,438	32,540	-	18,366	9,700	-	116,044	15,628	6,086	21,714	137,758
Printing/postage/subscriptions	52	53,499	134	3,314	1,300	-	58,299	13,170	19,800	32,970	91,269
Promotion/public relations	5,933	9,631	-	-	-	-	15,564	14,335	1,380	15,715	31,279
Staff training/conference/advertising	66,015	130,542	-	-	1,055	-	197,612	4,403	7,457	11,860	209,472
Interest and loan fees	-	-	-	-	-	-	-	3,177	-	3,177	3,177
Depreciation and amortization	-	5,666	-	-	-	-	5,666	-	-	-	5,666
Miscellaneous	16,817	-	-	25,473	-	-	42,290	49,329	6,793	56,122	98,412
Total Expenses	\$ 5,929,970	\$ 4,223,969	\$ 3,435,955	\$ 2,858,084	\$ 675,086	\$ 189,429	\$ 17,312,493	\$ 2,285,717	\$ 175,581	\$ 2,461,298	\$ 19,773,791

See notes to financial statements.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ 588,326
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	5,666
Cumulative effect of change from modified accrual to accrual basis of accounting	(760,722)
Prior period adjustments	439,949
Contributions restricted for long-term purposes	(71,596)
Investment income restricted for long-term investment	(3,741)
Unrealized gains on investments	(2,535)
(Increase) decrease in:	
Grants and contracts receivable	1,011,343
Accounts receivable	231,906
Prepaid expenses and deposits	15,569
Due from affiliates	(911,427)
Increase (decrease) in:	
Accounts payable and accrued expenses	223,800
Refundable advances and deferred revenues	(1,330,272)
Other liabilities	(10,708)
Net cash used in operating activities	<u>(574,442)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in memorial plots	(18,700)
Net proceeds from sale of investments	867,580
Net cash provided by investing activities	<u>848,880</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from contributions restricted for investment in permanent endowment	71,596
Investment income restricted for permanent reinvestment	3,741
Cash provided by financing activities	<u>75,337</u>
Net increase in cash and cash equivalents	349,775
Cash and cash equivalents, beginning of year	<u>2,547,177</u>
Cash and cash equivalents, end of year	<u>\$ 2,896,952</u>

See notes to financial statements.

**CHINESE-AMERICAN PLANNING COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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

Basis of Accounting and 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 CPC is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of CPC. The temporarily restricted assets include all revenues and contributions designated for program activities.

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

CPC has \$71,596 in permanently restricted net assets as of June 30, 2011.

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

Change from Modified Accrual to Accrual Basis of Accounting

In previous years, CPC prepared its financial statements on a 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. In fiscal year 2011, the financial statements have been prepared on the accrual basis of accounting, in conformity with generally accepted accounting principles. Management also believes that the accrual basis of accounting more accurately reflects CPC's financial position and results of operations. The effect of this change was to increase current results of activities for fiscal year 2011 by \$37,402. Unrestricted net assets have been decreased by \$760,722 as of July 1, 2010, for the effect of retroactive application of the new basis of accounting due to the recognition of accrued vacation liability.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

For financial statement purposes, CPC considers all cash and other highly liquid instruments with original maturities of three months or less to be cash equivalents.

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 Assets, Liabilities and Net Assets. 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 and are accounted for as follows:

- Increases in permanently restricted net assets if the terms of the donation require that they be added to the principal of permanently restricted net assets;
- Increases in temporarily restricted net assets if the terms of the donation impose restrictions on the current use of the income or net gains; and,
- Increases in unrestricted net assets in all other cases.

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 an 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 and amortization are computed on the straight-line method over the estimated useful lives of the assets.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Vacation Leave

In accordance with the rules set forth in CPC's personnel manual and other union regulations that supplant the rules of the personnel manual, CPC has accrued \$723,320 of vacation expense on its financial statements.

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 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

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes

CPC is a not-for-profit corporation, 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.

Accounting for Uncertain Tax Positions

CPC adopted the provisions pertaining to uncertain tax positions (ASC 740). The adoption of ASC 740 did not have any impact on CPC's financial statements because there were no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Endowment Funds

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Endowment Funds – Continued

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

Investment Return Objectives, Risk Parameters and Strategies. CPC had adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% to 5% while growing the funds if possible. Therefore, CPC expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

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

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, 2011:

Petty cash funds	\$ 6,369
Operating funds	392,824
Payroll funds	632,813
Short-term certificates of deposit	<u>1,864,946</u>
	<u>\$ 2,896,952</u>

CPC maintains cash balances at several banks. Accounts at each institution are insured by the Federal Depository Insurance Coverage (FDIC) up to \$250,000.

4. GRANTS AND CONTRACTS RECEIVABLE

The account consists of the following as of June 30, 2011:

From government grants	\$ 2,400,655
From private foundations	<u>471</u>
	<u>\$ 2,401,126</u>

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments at June 30, 2011 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Level 2</u>
Certificates of deposit	\$ 2,944,145	\$ 2,944,145	\$ 2,944,145
Money market placements	273,815	273,815	273,815
Equities and options	<u>226,803</u>	<u>239,992</u>	<u>239,992</u>
	<u>\$ 3,444,763</u>	<u>\$ 3,457,952</u>	<u>\$ 3,457,952</u>

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

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONTINUED

Investments in certificates of deposit are carried at face value plus accrued earnings, which approximates its fair value. Fair values for investments in money market are determined based on net asset value of shares held by CPC at year-end. Fair values for investments in municipal bonds are determined based on bids, prices within the bid offer spread, closing prices or matrix methodology that uses data relating to other securities whose prices are more ascertainable to produce a hypothetical price based on the estimated yield spread relationship between the securities.

Investment income for the year ended June 30, 2011 is summarized as follows:

Dividends and interest	\$ 25,898
Net appreciation	
Equities and options	121,232
Municipal bonds	2,535
Total net appreciation	123,767
	<u>\$ 149,665</u>

6. PROPERTY AND EQUIPMENT

The account consists of the following as of June 30, 2011:

	Estimated Life	Amount
Leasehold improvements	5 years	\$ 203,298
Equipment	5 years	71,486
Furniture and fixtures	5 years	30,487
Vehicle	5 years	28,328
Total depreciable assets		333,599
Less: Accumulated depreciation and amortization		(310,937)
Property and Equipment, net		<u>\$ 22,662</u>

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

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The account consists of the following as of June 30, 2011:

Vendor payables	\$ 689,581
Payroll and related taxes	<u>798,982</u>
	<u>\$ 1,488,563</u>

8. REFUNDABLE ADVANCES AND DEFERRED REVENUES

The account consists of the following as of June 30, 2011:

From government grants	\$ 8,185
From fee for service programs	<u>230,704</u>
	<u>\$ 238,889</u>

9. OTHER LIABILITIES

The account consists of the following as of June 30, 2011:

Custodial funds	\$ 2,862,553
Others	<u>1,006,225</u>
	<u>\$ 3,868,778</u>

Included in others of \$1,006,225 is the \$138,000 grant for Karen Liu Child Care Staff Development Fund which is composed of \$100,000 received from Ong Family Foundation and \$38,000 from Lin and Susie Chen Foundation.

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.

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

9. OTHER LIABILITIES – CONTINUED

As of June 30, 2011, the balances related to these activities, which are included in the accompanying financial statements, are as follows:

Cash and cash equivalents	\$ 1,303,052
Investments	1,489,592
Memorial plots	<u>69,909</u>
Total assets	2,862,553
Less: Total liabilities	<u>(2,862,553)</u>
Net Assets	<u><u>\$ -</u></u>

10. LEASES

CPC leases an office space at 150 Elizabeth Street, New York, 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, 2011 amounted to \$211,872. Future minimum rental payments under this non-cancelable operating lease subsequent to June 30, 2011 in the aggregate amounted to \$199,540.

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 (28) 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, 2011 amounted to \$111,500.

Rental expense incurred by other programs operated by CPC for the year ended June 30, 2011 amounted to \$1,335,402.

11. NET ASSETS

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:

- a. costs to be incurred in leasing and renovating a new property for the program; and

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

11. NET ASSETS – CONTINUED

Board Designated Net Assets – Continued

- b. incremental rent expenses, in the event that the new location is to be leased at a higher rate.

As of June 30, 2011, total incremental costs incurred in relation to the new lease agreement amounted to \$266,301 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.

Temporarily Restricted and Permanently Restricted Net Assets

Permanently restricted net assets consist of endowment funds in the amount of \$71,596 at June 30, 2011.

The composition of and changes in donor-restricted endowment net assets as of June 30, 2011 are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions	-	71,596	71,596
Interest and dividends	1,206	-	1,206
Net appreciation	2,535	-	2,535
Endowment net assets, end of year	<u>\$ 3,741</u>	<u>\$ 71,596</u>	<u>\$ 75,337</u>

12. PRIOR PERIOD ADJUSTMENTS

Net assets at the beginning of fiscal year 2011 have been adjusted in the amount of \$439,949 to properly classify unrestricted net assets previously reported as temporarily restricted net assets, to reconcile the deferred revenue account related to the various programs and to record reimbursement adjustments paid back to the New York State Office of the Department of Health ("NYS DOH") for fiscal years 2004-2005 to 2007-2008. The correction has no effect on the current results of CPC's 2011 activities. However, the cumulative effect increased net assets at the beginning of fiscal year 2011 by \$439,949, as follows:

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

12. PRIOR PERIOD ADJUSTMENTS – CONTINUED

	Increase (Decrease) in Net Assets as of July 1, 2010
To properly classify unrestricted net assets previously reported as temporarily restricted net assets	\$ 4,712,974
To properly classify previously reported temporarily restricted net assets to unrestricted net assets	(4,712,974)
Adjustment to reconcile deferred revenue accounts	589,752
To record NYS DOH prior year reimbursement adjustments	(149,803)
	<u>\$ 439,949</u>

13. CONTINGENT LIABILITIES

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

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 DYCD. If for any reason these grantors discontinue funding, there is a risk that CPC will not be able to continue operations and provide the services that it currently does.

15. SUBSEQUENT EVENTS

Subsequent events were evaluated through November 11, 2011, which is the date the financial statements were available to be issued.

CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

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 and Development Block Grant Cluster			
Day Care Programs	93.575	309	\$ 1,514,566
CCC&R	93.575	C024068	1,164,806
Infant Toddler	93.575	N/A	49,785
ARRA - Infant Toddler	93.713	N/A	80,872
			<u>2,810,029</u>
Passed through the City of New York			
<u>Administration for Children's Services</u>			
Social Services Block Grant			
Asian Family Services			
07/01/10 - 09/30/10	93.667	CT 068 20111400516	63,385
10/01/10 - 06/30/11	93.667	CT 068 20111407499	225,242
			<u>288,627</u>
Passed through the City of New York			
<u>Department for the Aging</u>			
Social Services Block Grant			
NY Chinatown Senior Center	93.667	20110001164	197,006
Project Open Door	93.667	20110001196	165,932
Queens Senior Citizen Center	93.667	20110001163	124,580
			<u>487,518</u>
			<u>776,145</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>			
Aging Cluster			
Special Programs for the Aging - Title III, Part B –			
Grants for Supportive Services and Senior Centers			
NY Chinatown Senior Center	93.044	20110001164	\$ 7,432
Queens Senior Citizens Center	93.044	20110001163	13,185
Project Open Door	93.044	20110001196	29,934
Special Programs for the Aging - Title III, Part C –			
Nutrition Services			
NY Chinatown Senior Center	93.045	20110001164	33,731
Queens Senior Citizens Center	93.045	20110001163	43,620
Project Open Door	93.045	20110001196	68,336
Nutrition Services Incentive Program			
NY Chinatown Senior Center	93.053	20110001164	53,623
Queens Senior Citizens Center	93.053	20110001163	28,800
Project Open Door	93.053	20110001196	51,280
Total Aging Cluster			<u>329,941</u>
Passed through the City of New York			
<u>Department for the Aging</u>			
Special Programs for the Aging - Title III, Part D –			
Disease Prevention and Health Promotion Services			
NY Chinatown Senior Center	93.043	20100000756	57
Queens Senior Citizens Center	93.043	20100000686	2,852
Project Open Door	93.043	20110001196	41
			<u>2,950</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 of Youth and Community Development</u>			
Community Services Block Grant Cluster			
Community Services Block Grant			
NDA Queens	93.569	840700	\$ 74,923
NDA Manhattan	93.569	130302	64,855
Literacy	93.569	766465	23,038
			<u>162,816</u>
ARRA - Community Services Block Grant			
SYEP ARRA Block GR	93.710	90770	44,082
Lower Wage Worker	93.710	9917	14,997
ARRA LITERACY	93.710		29,999
ARRA PS 42	93.710		10,894
ARRA PS 124	93.710		17,477
ARRA PS20 Q	93.710		19,987
ARRA PS19 & 130	93.710		31,500
ARRA OST PS 153	93.710		6,116
			<u>175,052</u>
Total Community Services Block Grant Cluster			<u>337,868</u>
<u>Passed through Metropolitan Council on Jewish Poverty</u>			
Medicare Enrollment Assistance Program			
Medicare Outreach Program			
10/01/10-05/31/11	93.071	N/A	15,001
06/01/11-06/30/11	93.071	N/A	2,780
			<u>17,781</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 - Continued</u>			
Children's Health Insurance Program			
MCJP Child/Family Health Plus (B)			
07/01/10-12/31/10	93.767	C021691	\$ 20,930
01/01/11-06/30/11	93.767	C021691	17,871
			<u>38,801</u>
<u>Passed through the Children's Aid Society</u>			
Children's Health Insurance Program			
Children Health Plus/Family Health Plus (M)			
07/01/10-12/31/10	93.767	C021746	11,198
01/01/11-06/30/11	93.767	C021746	12,485
			<u>23,683</u>
			<u>62,484</u>
<u>Passed through New York State Office of Children and Family Services</u>			
Community-Based Child Abuse Prevention Grants			
Family Resource Center	93.590	C025420	31,615
Family Resource Center (Child Abuse Prevention)	93.590	T011685	2,344
			<u>33,959</u>
<u>Passed through New York State Office of Children and Family Services</u>			
Temporary Assistance for Needy Families			
Settlement Housing Program	93.558	C026077	156,802
Advantage After School Program	93.558	C024483	26,049
			<u>182,851</u>
Total U.S. Department of Health & Human Services			<u>4,554,008</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 Education</u>			
Passed through the United Way of New York City			
21st Century Community Learning Centers	84.287	N/A	\$ 126,391
Total U.S. Department of Education			<u>126,391</u>
<u>U.S. Department of Labor</u>			
Passed through the City of New York Department of Youth and Community Development			
WIA Cluster			
WIA Youth Activities			
In School Youth Brooklyn			
07/01/10-08/31/10 Extended	17.259	20070016710	7,349
09/01/10-06/30/11 Extended	17.259	20100009239	28,579
In School Youth Queens			
07/01/10-08/31/10 Extended	17.259	20070016393	346
09/01/10-06/30/11 Extended	17.259	20100008052	16,266
In School Youth Manhattan			
07/01/10-08/31/10 Extended	17.259	20070016248	1,346
09/01/10-06/30/11 Extended	17.259	20100008030	21,453
In School Youth Stimulus Brooklyn			
07/01/10-06/30/11 Extended	17.259	20100009239	13,031
In School Youth Stimulus Queens			
07/01/10-06/30/11 Extended	17.259	20100008052	3,971
In School Youth Stimulus Manhattan			
07/01/10-06/30/11 Extended	17.259	20100008030	9,968
OST High School Queens			
07/01/10-06/30/11 Extended	17.259	20100011367	12,643
09/01/10-06/30/11	17.259	20100011367	45,324
OST High School Manhattan			
07/01/10-06/30/11 Extended	17.259	20100011114	33,282
09/01/10-06/30/11	17.259	20100011114	82,072
			<u>275,630</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 Labor - Continued</u>			
<u>Passed through the Department for Small Business</u>			
WIA Dislocated Workers - ARRA	17.260		\$ 113,665
Total WIA Cluster			389,295
<u>Passed through the Senior Service America, Inc.</u>			
Senior Community Service Employment Program	17.235	139	850,231
SSAI CAA	17.235	139	526,793
			1,377,024
Total U.S. Department of Labor			1,766,319
<u>U.S. Department of Justice</u>			
<u>Passed through the New York State Division of Criminal Justice Services</u>			
Edward Byrne Memorial Justice Assistance Grant Program			
07/01/10-12/31/10	16.738	C632112	45,485
01/01/11-06/30/11	16.738	C632373	5,537
			51,022
<u>Passed through The After School Corporation</u>			
Part E - Developing, Testing and Demonstrating Promising New Programs			
Scholars In Training	16.541	G10125	9,566
Total U.S. Department of Justice			60,588

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 Housing and Urban Development (HUD)</u>			
Passed through the City of New York Department of Housing Preservation and Development Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii Community Outreach & Public Education	14.228	6584	\$ 168,648
Passed through the City of New York Department of Housing Preservation and Development Community Development Block Grants/ Entitlement Grants HPD-Fair Housing	14.218	CT 806 20070028871	104,880
Total U.S. Department of Housing and Urban Development			273,528
<u>U.S. Department of Agriculture (USDA)</u>			
Passed through the Nutrition Consortium of New York State State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Nutrition Outreach and Education Program	10.561	N/A	36,971
Passed through the State of New York Department of Health Child and Adult Care Food Program 07/01/10-09/30/10 10/01/11-06/30/11	10.558 10.558	3111 3111	150,751 293,484 444,235
Total U.S. Department of Agriculture			481,206
Total Expenditures of Federal Awards			\$ 7,262,040

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, 2011

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, 2011. 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 \$1,514,566 in the schedule represent the Federal portion of the \$2,366,510 total Day Care Programs' expenditures. For the year ended June 30, 2011, the levels of funding provided for the programs are as follows:

	<u>Percentage</u>	<u>Amount</u>
Federal	64%	\$ 1,514,566
New York State	7%	165,656
New York City	29%	686,288
Total	<u>100%</u>	<u>\$ 2,366,510</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, 2011, and have issued our report thereon dated November 11, 2011. 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.

Internal Control over Financial Reporting

Management of CPC is responsible for establishing and maintaining effective 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 the CPC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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.

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.

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

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*.

This report is intended solely for the information and use of the Board of Directors, management of CPC, and federal awarding agencies and pass-through entities 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 those specified parties.

TCBA Watson Rice LLP

New York, New York
November 11, 2011

**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. 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, 2011. 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, 2011.

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 federal awarding agencies and pass-through entities 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 those specified parties.

TCBA Watson Rice LLP

New York, New York
November 11, 2011

**CHINESE-AMERICAN PLANNING COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes ✓ no

Significant deficiency(ies) identified? yes ✓ none reported

Noncompliance material to financial statements noted? yes ✓ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes ✓ no

Significant deficiency(ies) identified? yes ✓ none reported

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

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

Identification of Major Programs

<u>CFDA No.</u>	<u>Name of Federal Program or Cluster</u>
93.575/93.713	Child Care and Development Block Grant Cluster
93.569/93.710	Community Services Block Grant Cluster

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

Auditee qualified as a low-risk auditee? ✓ yes 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.