

**CHINATOWN MANPOWER
PROJECT, INC.**

**Financial Statements
and
Supplementary Information
for the years ended
June 30, 2019
and
June 30, 2018**

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Independent Auditor's Report

To the Board of Directors of
Chinatown Manpower Project, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Chinatown Manpower Project, Inc. ("CMP") which comprise the statements of financial position as of June 30, 2019 and June 30, 2018 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chinatown Manpower Project, Inc. as of June 30, 2019 and June 30, 2018 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during January 2020, CMP's headquarters was destroyed by a fire. Our opinion is not modified with respect to that matter.

Cassie O'Brien Sullivan & Donnelly LLP

May 18, 2020

CHINATOWN MANPOWER PROJECT, INC.

Statements of Financial Position

Assets

	June 30	
	2019	2018
Current assets		
Cash and cash equivalents	\$ 864,730	\$ 1,114,178
Investments, at fair value	1,712,410	1,577,414
Accounts receivable	699,471	685,056
Prepaid expenses and other	39,546	42,250
Total current assets	<u>3,316,157</u>	<u>3,418,898</u>
Property and equipment		
Equipment, furniture and fixtures	145,012	152,137
Leasehold improvements	124,913	67,913
Total property and equipment	269,925	220,050
Less accumulated depreciation and amortization	119,800	96,781
Net property and equipment	150,125	123,269
Total assets	\$ 3,466,282	\$ 3,542,167

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 130,180	\$ 91,844
Unearned revenue	136,977	129,033
Total liabilities	<u>267,157</u>	<u>220,877</u>
Net assets		
Without donor restrictions		
Operating	2,612,595	2,664,348
Board designated	480,000	480,000
Total without donor restrictions	3,092,595	3,144,348
With donor restrictions	106,530	176,942
Total net assets	3,199,125	3,321,290
Total liabilities and net assets	\$ 3,466,282	\$ 3,542,167

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Activities For the Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>		<u>With Donor</u>	<u>Total</u>
	<u>Operating</u>	<u>Board Designated</u>	<u>Restrictions</u>	
Public support and revenue				
Government agencies				
Grants	\$ 1,191,716	\$ -	\$ -	\$ 1,191,716
Tuition	266,416	-	-	266,416
Special events, net of direct benefits to donors of \$91,602 for 2018 and 2017, respectively	108,868	-	-	108,868
Contributions	130,762	-	35,000	165,762
In-kind contributions	815,800	-	-	815,800
Program service fees				
Chinese school	406,799	-	-	406,799
CMP Academy	22,735	-	-	22,735
Other	4,375	-	-	4,375
Investment return, net	81,817	-	-	81,817
Net assets released from restrictions	<u>105,412</u>	<u>-</u>	<u>(105,412)</u>	<u>-</u>
Total public support and revenue	<u>3,134,700</u>	<u>-</u>	<u>(70,412)</u>	<u>3,064,288</u>
Expenses				
Program services				
Adult Literacy	233,196	-	-	233,196
Neighborhood Development Area Work, Learn and Grow	33,687	-	-	33,687
Employment	153,523	-	-	153,523
Out of School Youth	766,990	-	-	766,990
Out of School Youth Follow-Up Year	148,534	-	-	148,534
Chinese School	425,908	-	-	425,908
CMP Academy	182,633	-	-	182,633
Business Outreach Center	169,142	-	-	169,142
Jobs to Build On	13,573	-	-	13,573
Summer Youth Employment	278,755	-	-	278,755
Food Stamps	21,967	-	-	21,967
Total program services	<u>2,427,908</u>	<u>-</u>	<u>-</u>	<u>2,427,908</u>
Supporting activities				
Management and general	629,103	-	-	629,103
Development	129,442	-	-	129,442
Total expenses	<u>3,186,453</u>	<u>-</u>	<u>-</u>	<u>3,186,453</u>
(Decrease) in net assets	(51,753)	-	(70,412)	(122,165)
Net assets, beginning of year	<u>2,664,348</u>	<u>480,000</u>	<u>176,942</u>	<u>3,321,290</u>
Net assets, end of year	<u>\$ 2,612,595</u>	<u>\$ 480,000</u>	<u>\$ 106,530</u>	<u>\$ 3,199,125</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

**Statement of Activities
For the Year Ended June 30, 2018**

	<u>Without Donor Restrictions</u>			
	<u>Operating</u>	<u>Board Designated</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue				
Government agencies				
Grants	\$ 1,151,685	\$ -	\$ -	\$ 1,151,685
Tuition	261,585	-	-	261,585
Special events, net of direct benefits to donors of \$106,795	103,997	-	-	103,997
Contributions	155,673	-	60,000	215,673
In-kind contributions	465,960	-	-	465,960
Program service fees				
Chinese school	233,094	-	-	233,094
CMP Academy	23,770	-	-	23,770
Other	725	-	-	725
Investment return, net	57,125	-	-	57,125
Net assets released from restrictions	29,379	-	(29,379)	-
Total public support and revenue	<u>2,482,993</u>	<u>-</u>	<u>30,621</u>	<u>2,513,614</u>
Expenses				
Program services				
Adult Literacy	234,730	-	-	234,730
Neighborhood Development Area Work, Learn and Grow	33,153	-	-	33,153
Employment	198,314	-	-	198,314
Train & Earn	737,894	-	-	737,894
Train & Earn				
Follow-Up Year	134,806	-	-	134,806
Chinese School	299,325	-	-	299,325
CMP Academy	88,370	-	-	88,370
Business Outreach Center	120,444	-	-	120,444
Jobs to Build On	3,970	-	-	3,970
Summer Youth Employment	281,117	-	-	281,117
Food Stamps	65,624	-	-	65,624
Total program services	<u>2,197,747</u>	<u>-</u>	<u>-</u>	<u>2,197,747</u>
Supporting activities				
Management and general	301,285	-	-	301,285
Development	39,728	-	-	39,728
Total expenses	<u>2,538,760</u>	<u>-</u>	<u>-</u>	<u>2,538,760</u>
Increase (decrease) in net assets	(55,767)	-	30,621	(25,146)
Net assets, beginning of year	<u>2,720,115</u>	<u>480,000</u>	<u>146,321</u>	<u>3,346,436</u>
Net assets, end of year	<u>\$ 2,664,348</u>	<u>\$ 480,000</u>	<u>\$ 176,942</u>	<u>\$ 3,321,290</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2019
(with Summarized Comparative Information For the Year Ended June 30, 2018)

	2019												
	Program Services												
	Adult Literacy	Neighborhood Development Area	Work, Learn And Grow Employment	Train & Earn	Train & Earn	Follow-Up Year	Chinese School	CMP Academy	Business Outreach Center	Jobs to Build On	Summer Youth Employment	Food Stamps	Total Program Services
Salaries and related													
Salaries	\$ 137,690	\$ 17,380	\$ 109,113	\$ 460,473	\$ 104,788	\$ 297,528	\$ 110,571	\$ 111,240	\$ 11,630	\$ 184,356	\$ 1,885	\$ 1,546,654	
Payroll taxes and benefits	16,356	2,234	12,021	51,547	10,696	28,426	12,046	16,293	1,647	20,657	338	172,261	
Total salaries and related	154,046	19,614	121,134	512,020	115,484	325,954	122,617	127,533	13,277	205,013	2,223	1,718,915	
Other													
Supplies	14,794	970	2,486	11,566	27,407	23,169	4,755	2,228	-	4,382	469	92,226	
Insurance	2,731	560	847	4,457	-	3,897	2,360	977	-	2,412	1,009	19,250	
Rent, including utilities	45,658	9,367	22,002	171,680	-	43,692	39,375	25,658	-	54,523	16,940	428,895	
Consulting	-	-	-	-	-	-	1,750	-	-	-	-	1,750	
Telephone and postage	1,637	179	987	5,107	-	2,588	2,597	927	-	1,133	107	15,262	
Professional fees	2,266	247	1,030	5,459	-	3,482	1,385	5,455	-	2,065	123	21,512	
Advertising	-	-	-	14,979	599	-	984	90	-	-	-	16,652	
Travel	-	1,718	265	10,693	2,379	3,182	11	14	-	899	244	19,405	
Payroll service fees	1,301	144	604	4,772	-	2,203	896	733	-	1,001	78	11,732	
Other	7,261	446	1,393	14,546	-	10,174	3,091	2,698	-	2,638	726	42,973	
Depreciation and amortization	3,502	442	2,775	11,711	2,665	7,567	2,812	2,829	296	4,689	48	39,336	
Total	\$ 233,196	\$ 33,687	\$ 153,523	\$ 766,990	\$ 148,534	\$ 425,908	\$ 182,633	\$ 169,142	\$ 13,573	\$ 278,755	\$ 21,967	\$ 2,427,908	

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC./

**Statement of Functional Expenses (continued)
For the Year Ended June 30, 2019
(with Summarized Comparative Information for the Year Ended June 30, 2018)**

	<u>2019 (continued)</u>		<u>2018</u>
	<u>Supporting Activities</u>	<u>Management and</u>	
	<u>General</u>	<u>Development</u>	<u>Total</u>
Salaries and related			
Salaries	\$ 101,931	\$ 24,877	\$1,673,462
Payroll taxes and benefits	<u>11,059</u>	<u>2,230</u>	<u>185,550</u>
Total salaries and related	<u>112,990</u>	<u>27,107</u>	<u>1,859,012</u>
Other			
Supplies	4,162	311	96,699
Insurance	14,562	275	34,087
Rent, including utilities	453,113	4,605	886,613
Consulting	-	-	1,750
Telephone and postage	764	261	16,287
Professional fees	31,755	329	53,596
Advertising	-	-	16,652
Travel	5,989	-	25,394
Payroll service fees	450	208	12,390
Other	5,318	95,782	144,073
Depreciation and amortization	-	564	39,900
Total	<u>\$ 629,103</u>	<u>\$ 129,442</u>	<u>\$3,186,453</u>
			<u>\$2,538,760</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2018

	Program Services											Total Program Services
	Adult Literacy	Neighborhood Development Area	Work, Learn And Grow Employment	Train & Earn	Train & Follow-Up Year	Chinese School	CMP Academy	Business Outreach Center	Jobs to Build On	Summer Youth Employment	Food Stamps	
Salaries and related												
Salaries	\$ 151,520	\$ 19,037	\$ 144,260	\$ 431,717	\$ 110,830	\$ 199,013	\$ 21,171	\$ 87,615	\$ -	\$ 173,272	\$ 6,553	\$ 1,344,988
Payroll taxes and benefits	11,114	2,041	13,841	51,968	12,339	23,573	2,792	9,024	-	16,960	750	144,402
Total salaries and related	<u>162,634</u>	<u>21,078</u>	<u>158,101</u>	<u>483,685</u>	<u>123,169</u>	<u>222,586</u>	<u>23,963</u>	<u>96,639</u>	<u>-</u>	<u>190,232</u>	<u>7,303</u>	<u>1,489,390</u>
Other												
Supplies	11,558	500	7,723	7,867	4,386	14,045	886	1,443	25	12,352	705	61,490
Insurance	3,068	519	700	4,955	-	2,939	-	653	65	3,320	3,364	19,583
Rent, including utilities	45,401	7,713	22,794	178,397	-	43,741	34,918	9,878	965	64,320	50,066	458,193
Consulting	-	-	-	-	-	-	25,000	-	-	-	-	25,000
Telephone and postage	1,055	195	1,188	5,348	-	1,887	1,161	533	47	1,194	694	13,302
Professional fees	1,519	267	1,984	6,372	-	2,499	607	4,699	65	1,647	933	20,592
Advertising	194	-	-	14,915	-	210	251	700	-	-	620	16,890
Travel	-	1,779	594	8,045	4,400	240	28	262	-	651	244	18,998
Payroll service fees	769	130	780	3,301	-	1,216	301	1,490	32	790	454	9,263
Other	4,588	458	578	13,998	-	4,454	669	1,821	16	1,955	1,076	29,613
Depreciation and amortization	3,944	514	3,872	11,011	2,851	5,508	586	2,326	-	4,656	165	35,433
Total	<u>\$ 234,730</u>	<u>\$ 33,153</u>	<u>\$ 198,314</u>	<u>\$ 737,894</u>	<u>\$ 134,806</u>	<u>\$ 299,325</u>	<u>\$ 88,370</u>	<u>\$ 120,444</u>	<u>\$ 3,970</u>	<u>\$ 281,117</u>	<u>\$ 65,624</u>	<u>\$ 2,197,747</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

**Statement of Functional Expenses (continued)
For the Year Ended June 30, 2018**

	<u>Supporting Activities</u>		
	<u>Management</u>	<u>and</u>	<u>Total</u>
	<u>General</u>	<u>Development</u>	<u>Total</u>
Salaries and related			
Salaries	\$ 42,690	\$ 15,241	\$1,402,919
Payroll taxes and benefits	<u>37,711</u>	<u>1,082</u>	<u>183,195</u>
Total salaries and related	<u>80,401</u>	<u>16,323</u>	<u>1,586,114</u>
Other			
Supplies	15,085	3,938	80,513
Insurance	15,282	411	35,276
Rent, including utilities	74,079	4,610	536,882
Consulting	10,000	4,500	39,500
Telephone and postage	2,936	472	16,710
Professional fees	31,421	649	52,662
Advertising	3,470	-	20,360
Travel	5,633	12	24,643
Payroll service fees	798	316	10,377
Other	61,080	8,089	98,782
Depreciation and amortization	<u>1,100</u>	<u>408</u>	<u>36,941</u>
Total	<u>\$ 301,285</u>	<u>\$ 39,728</u>	<u>\$2,538,760</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statements of Cash Flows

	For the Year Ended June 30	
	2019	2018
Cash flows from operating activities		
(Decrease) in net assets	\$ (122,165)	\$ (25,146)
Adjustment to reconcile (decrease) in net assets to net cash (used in) operating activities		
Depreciation and amortization	39,899	36,941
Donated securities	(5,045)	(8,159)
Proceeds from sale of donated securities	4,953	8,012
Realized and unrealized (gains) on investments	(53,230)	(36,959)
(Increase) decrease in current assets		
Accounts receivable	(14,415)	(114,104)
Prepaid expenses and other assets	2,704	(2,648)
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	38,336	(31,604)
Unearned revenue	7,944	34,261
Net cash (used in) operating activities	(101,019)	(139,406)
Cash flows from investing activities		
Purchases of property and equipment	(66,755)	(37,320)
Purchases of investments	(914,765)	(525,949)
Proceeds from sales of investments and maturities of certificates of deposit	833,091	498,378
Net cash (used in) investing activities	(148,429)	(64,891)
Net (decrease) in cash and cash equivalents	(249,448)	(204,297)
Cash and cash equivalents, at the beginning of year	1,114,178	1,318,475
Cash and cash equivalents, at the end of year	\$ 864,730	\$ 1,114,178

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.**Notes to Financial Statements
June 30, 2019 and June 30, 2018****Note 1 – Nature of organization**

Chinatown Manpower Project, Inc. (“CMP”) was founded in 1972 as a nonprofit community-based organization in response to the vocational training needs of the growing Asian immigrant and refugee community. CMP’s mission, then and now, is to provide vocational training, employment services, and educational programs to people from diverse backgrounds. CMP’s goal is to help them acquire the necessary skills and resources needed to become economically self-sufficient and contributing members of mainstream society.

CMP trains individuals through vocational programs. These programs provide job-related English Second Language and vocational skills instruction, world-of-work orientation, and comprehensive employment services such as career counseling, internship and job placement.

Note 2 – Summary of significant accounting policies**Net assets**

CMP’s net assets consist of the following:

Without donor restrictions

Operating – net assets of CMP which have not been restricted by an outside donor and are therefore available for use in carrying out the operations of CMP.

Board designated – During 2016, the Board of Directors designated \$480,000 of unrestricted net assets without donor restrictions as a reserve to be used as revolving funds for operating expenses.

With donor restrictions

Net assets of CMP which have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of CMP pursuant to those stipulations. Restricted contributions that originate in a given year whose restrictions are met in the same year are reflected within net assets without donor restrictions.

Cash equivalents

CMP considers highly liquid investments with original maturities of three months or less to be cash equivalents. CMP deems money market accounts to be cash equivalents.

Allowance for doubtful accounts

CMP has determined that its accounts receivable are collectible and an allowance for doubtful accounts is not necessary. Such estimate is based on management’s experience, the aging of the receivables, subsequent receipts and the current economic conditions.

CHINATOWN MANPOWER PROJECT, INC.

**Notes to Financial Statements (continued)
June 30, 2019 and June 30, 2018**

Note 2 – Summary of significant accounting policies (continued)

Investments

Investments are stated at their fair value in the statements of financial position. The investments are managed by professional investment advisors and managers. Unrealized gains and losses are included in the statements of activities as part of investment return, net.

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Observable inputs other than level 1 prices such as quoted prices of similar assets; quoted prices in markets with insufficient volume or infrequent transactions (less than active markets).

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

Property and equipment

CMP capitalizes property and equipment expenditures over \$1,000 at cost, or if contributed, at fair value at the date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives. The lease for CMP's space is on a month-to-month lease. Therefore, CMP amortizes its leasehold improvements using the straight-line method over their estimated useful lives.

The estimated useful lives of the property and equipment are as follows:

Equipment, furniture and fixtures	5 years
Leasehold improvements	10 years

During the 2019 and 2018 fiscal years, fully depreciated property and equipment totaling \$16,880 and \$17,529, respectively, were removed from the books and records of CMP.

Contributions and promises to give

Contributions and promises to give are recorded as revenue when either cash is received or when donors make an unconditional promise to give.

CHINATOWN MANPOWER PROJECT, INC.**Notes to Financial Statements (continued)
June 30, 2019 and June 30, 2018****Note 2 – Summary of significant accounting policies (continued)**Government grants

CMP receives grants from government agencies in exchange for the performance of various services. Under line-item reimbursable contracts, CMP recognizes grant revenue as expenses are incurred to a maximum of the grant award. Under performance-based contracts, CMP recognizes revenue upon achievement of various milestones established by the contracts. CMP records unearned revenue for receipts received in advance of program performance.

Government-supported programs are subject to audit by the granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when the audit(s) occur. Management is of the opinion that any potential disallowances will not be material to the accompanying financial statements. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying financial statements.

In-kind contributions

CMP currently leases its space from the City of New York for a nominal amount. CMP records the lease expense and a corresponding contribution from the City of New York at the estimated fair market rental value of the contributed space. For June 30, 2019 and June 30, 2018 fiscal years, the estimated fair market value of the contributed space was \$815,800 and \$465,960, respectively.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain shared costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional category are allocated based on time and effort.

CHINATOWN MANPOWER PROJECT, INC.**Notes to Financial Statements (continued)
June 30, 2019 and June 30, 2018****Note 2 – Summary of significant accounting policies (continued)**Concentrations of credit risk

CMP financial instruments that are potentially exposed to concentrations of credit risk consist of cash and cash equivalents, investments and accounts receivable. CMP places its cash and cash equivalents with what it believes to be quality financial institutions. At times, cash balances exceed FDIC insurance limits. CMP has not experienced any losses in such accounts to date. CMP routinely assesses the financial strength of its cash and cash equivalents. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to changes in interest rates, market volatility, liquidity and credit risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statements of financial position at June 30, 2019. CMP management monitors the collectability of its accounts receivable. As a result, management believes concentrations of credit risk are limited with respect to its cash and cash equivalents, investments and accounts receivable.

Subsequent events

CMP evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluations are performed through the date the financial statements are available to be issued, which is May 18, 2020 for these financial statements.

In August 2019, CMP signed an agreement to lease a storefront property at \$1,000/month for a two year period to operate the Business Outreach Center expansion.

During January 2020, CMP's headquarters was destroyed by a fire. Given the location of the fire, CMP staff assumed total loss of all property and therefore the majority of CMP's net property and equipment will be written off during the 2020 fiscal year. During the 2020 fiscal year, CMP received insurance proceeds totaling \$147,355 as a result of the fire.

On March 13, 2020, President Trump declared a national emergency due to extraordinary circumstances resulting from the coronavirus. CMP's overall operations were modified as a result of the coronavirus, as well as the fire noted in the previous paragraph.

CHINATOWN MANPOWER PROJECT, INC.

Notes to Financial Statements (continued)
June 30, 2019 and June 30, 2018

Note 3 – Liquidity and availability of financial assets

CMP's working capital and cash flows have seasonal variations during the year attributable to cash receipts from contributions, government grants and other revenue items. The following is a summary of CMP's financial assets as of June 30, 2019 that are available for general use within one year of the statement of financial position date:

Cash and cash equivalents		\$	864,730
Investments, at fair value			1,712,410
Accounts receivable			<u>699,471</u>
Sub-total			3,276,611
Less: Board-designated fund			<u>480,000</u>
Total			<u>\$ 2,796,611</u>

As part of CMP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. CMP's Board-designated fund has been established as a reserve for operating expenses. CMP does not intend to spend these funds; however, the funds can be released from designation by the Board if deemed necessary.

Note 4 – Investments, at fair value

Investments, at fair value, consisted of the following as of June 30, 2019 and June 30, 2018:

	<u>2019</u>	<u>2018</u>	<u>Fair Value Level</u>
Certificates of deposit	\$ 356,345	\$ 307,986	1
Mutual funds – alternative investments	338,099	184,747	1
Mutual and closed end funds – fixed income	-	231,707	1
Common stock	459,887	457,049	1
Government agency securities	313,025	175,216	1
Corporate bonds	<u>245,054</u>	<u>220,709</u>	1
Total	<u>\$ 1,712,410</u>	<u>\$ 1,577,414</u>	

CHINATOWN MANPOWER PROJECT, INC.

**Notes to Financial Statements (continued)
June 30, 2019 and June 30, 2018**

Note 5 – Net assets with donor restrictions

The following is the activity of the net assets with donor restrictions for the years ended June 30, 2019 and June 30, 2018:

	2019			
	Balance at June 30, 2018	Contributions	Net Assets Released from Restrictions	Balance June 30, 2019
Financial Literary	\$ 10,000	\$ 10,000	\$ (18,260)	\$ 1,740
In School Youth	11,763	-	-	11,763
Individual Development				
Accounts	49,590	-	-	49,590
Mobile Jobs	93,314	5,000	(85,352)	12,962
Mulberry Street Project	12,105	-	-	12,105
Companionship program	-	20,000	(1,800)	18,200
Other	170	-	-	170
Total	\$ 176,942	\$ 35,000	\$ (105,412)	\$ 106,530
	2018			
	Balance at June 30, 2018	Contributions	Net Assets Released from Restrictions	Balance June 30, 2019
Financial Literary	\$ -	\$ 10,000	\$ -	\$ 10,000
In School Youth	11,763	-	-	11,763
Individual Development				
Accounts	49,590	-	-	49,590
Mobile Jobs	45,892	50,000	(2,578)	93,314
Mulberry Street Project	12,105	-	-	12,105
Workshops for Entrepreneurs	26,801	-	(26,801)	-
Other	170	-	-	170
Total	\$ 146,321	\$ 60,000	\$ (29,379)	\$ 176,942

CHINATOWN MANPOWER PROJECT, INC.

Notes to Financial Statements (continued)
June 30, 2019 and June 30, 2018

Note 6 – Tuition-related revenue

The following is a summary of the tuition-related revenue for the years ended June 30, 2019 and June 30, 2018:

2019			
Description	Gross Tuition Revenue	Refunds	Tuition-related revenue, net per Statements of Activities
Grants from government agencies - tuition	\$ 266,416	\$ -	\$ 266,416
CMP Academy	<u>23,275</u>	<u>(540)</u>	<u>22,735</u>
Total	<u>\$ 289,691</u>	<u>\$ (540)</u>	<u>\$ 289,151</u>
2018			
Description	Gross Tuition Revenue	Refunds	Tuition-related revenue, net per Statements of Activities
Grants from government agencies - tuition	\$ 261,585	\$ -	\$ 261,585
CMP Academy	<u>26,470</u>	<u>(2,700)</u>	<u>23,770</u>
Total	<u>\$ 288,055</u>	<u>\$ (2,700)</u>	<u>\$ 285,355</u>

Note 7– Tax status

CMP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. CMP is classified as a publicly supported organization as described in Section 509(a)(1) and 170(b)(1)(A)(vi) and not as a private foundation; therefore, CMP qualifies for the maximum charitable contribution deductions for donors.

Independent Auditor's Report on Supplementary Information

To the Board of Directors of
Chinatown Manpower Project, Inc.

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information contained in page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Carole O'Meara McGinty & Donnelly LLP

CHINATOWN MANPOWER PROJECT, INC.

**Schedule of Claimable Federal Expenses for DYCD
For the Year Ended June 30, 2019**

	<u>NDA</u>	<u>Train and Earn Program Year</u>	<u>Train and Earn Follow Up Year</u>	<u>Total DYCD Funded Expenditure</u>
Salaries and related expenses				
Salaries and related expense	\$ 17,380	\$ 443,275	\$ 104,788	\$ 565,443
Payroll taxes and benefits	2,234	50,173	10,696	63,103
Total salaries and related expenses	<u>19,614</u>	<u>493,448</u>	<u>115,484</u>	<u>628,546</u>
Other expenses				
Supplies	970	10,657	27,407	39,034
Insurance	560	4,457	-	5,017
Rent, including utilities	1,212	9,508	-	10,720
Maintenance and repairs	262	331	-	593
Telephone and postage	179	3,751	-	3,930
Professional fees	247	5,459	-	5,706
Advertising	-	14,979	599	15,578
Staff development	-	2,396	-	2,396
Travel	1,718	10,693	2,379	14,790
Payroll service fees	144	3,487	-	3,631
Printing and copying	40	1,535	-	1,575
Other	144	9,923	-	10,067
Total other	<u>5,476</u>	<u>77,176</u>	<u>30,385</u>	<u>113,037</u>
Total claimable federal expenses	\$ 25,090	\$ 570,624	\$ 145,869	\$ 741,583