

**CHINATOWN MANPOWER
PROJECT, INC.**

**Financial Statements
and
Supplementary Information
for the years ended
June 30, 2022
and
June 30, 2021**

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Chinatown Manpower Project, Inc. ("CMP"), which comprise the statements of financial position as of June 30, 2022 and June 30, 2021 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CMP as of June 30, 2022 and June 30, 2021 and the result 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CMP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CMP's ability to continue as a going concern for a reasonable period of time.

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

Carole Dileasa McCallister & Donnelly LLP

January 16, 2023

CHINATOWN MANPOWER PROJECT, INC.

Statements of Financial Position

Assets

	June 30	
	2022	2021
Current assets		
Cash and cash equivalents	\$ 1,010,106	\$ 1,650,327
Investments, at fair value	1,583,915	2,017,130
Accounts receivable	1,411,306	406,155
Prepaid expenses and other	109,764	84,465
Total current assets	<u>4,115,091</u>	<u>4,158,077</u>
Property and equipment		
Equipment, furniture and fixtures	151,452	90,861
Leasehold improvements	158,790	-
Less accumulated depreciation and amortization	52,908	12,797
Net property and equipment	<u>257,334</u>	<u>78,064</u>
Total assets	<u>\$ 4,372,425</u>	<u>\$ 4,236,141</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 441,267	\$ 259,896
Unearned revenue	123,763	53,267
Deferred grant	-	403,757
Total liabilities	<u>565,030</u>	<u>716,920</u>
Net assets		
Without donor restrictions		
Operating	2,796,822	2,642,602
Board designated	480,000	480,000
Total without donor restrictions	3,276,822	3,122,602
With donor restrictions	530,573	396,619
Total net assets	<u>3,807,395</u>	<u>3,519,221</u>
Total liabilities and net assets	<u>\$ 4,372,425</u>	<u>\$ 4,236,141</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

**Statement of Activities
For the Year Ended June 30, 2022**

	<u>Without Donor Restrictions</u>		<u>With Donor</u>	
	<u>Operating</u>	<u>Board</u>	<u>Restrictions</u>	<u>Total</u>
		<u>Designated</u>		
Public support and revenue				
Government agencies				
Grants	\$ 1,470,794	\$ -	\$ -	\$ 1,470,794
Tuition	677,828	-	-	677,828
Special events, net of direct benefits to donors of \$126,099	168,334	-	-	168,334
Contributions	388,308	-	175,416	563,724
Program service fees				
Chinese school	352,046	-	-	352,046
Other	666	-	-	666
Investment return, net	(191,304)	-	-	(191,304)
Other	2,440	-	-	2,440
Net assets released from restrictions	<u>41,462</u>	<u>-</u>	<u>(41,462)</u>	<u>-</u>
Total public support and revenue	<u>2,910,574</u>	<u>-</u>	<u>133,954</u>	<u>3,044,528</u>
Expenses				
Program services				
Adult Literacy	280,763	-	-	280,763
Neighborhood Development Area	24,317	-	-	24,317
Career and community development	388,658	-	-	388,658
Train and earn	915,674	-	-	915,674
Chinese School	186,069	-	-	186,069
Business Outreach Center	222,685	-	-	222,685
ONA	54,781	-	-	54,781
Summer Youth Employment	<u>229,738</u>	<u>-</u>	<u>-</u>	<u>229,738</u>
Total program services	<u>2,302,685</u>	<u>-</u>	<u>-</u>	<u>2,302,685</u>
Supporting activities				
Management and general Development	448,603	-	-	448,603
Development	<u>5,066</u>	<u>-</u>	<u>-</u>	<u>5,066</u>
Total expenses	<u>2,756,354</u>	<u>-</u>	<u>-</u>	<u>2,756,354</u>
Increase in net assets	154,220	-	133,954	288,174
Net assets, beginning of year	<u>2,642,602</u>	<u>480,000</u>	<u>396,619</u>	<u>3,519,221</u>
Net assets, end of year	<u>\$ 2,796,822</u>	<u>\$ 480,000</u>	<u>\$ 530,573</u>	<u>\$ 3,807,395</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

**Statement of Activities
For the Year Ended June 30, 2021**

	<u>Without Donor Restrictions</u>		<u>With Donor</u>	
	<u>Operating</u>	<u>Board</u>	<u>Restrictions</u>	<u>Total</u>
		<u>Designated</u>		
Public support and revenue				
Government agencies				
Grants	\$ 826,422	\$ -	\$ -	\$ 826,422
Tuition	465,461	-	-	465,461
Special events, net of direct benefits to donors of \$9,610	96,034	-	-	96,034
Contributions	276,928	-	201,000	477,928
Program service fees				
Chinese school	175,887	-	-	175,887
Other	666	-	-	666
Investment return, net	212,958	-	-	212,958
Other	3,165	-	-	3,165
Net assets released from restrictions	<u>98,670</u>	<u>-</u>	<u>(98,670)</u>	<u>-</u>
Total public support and revenue	<u>2,156,191</u>	<u>-</u>	<u>102,330</u>	<u>2,258,521</u>
Expenses				
Program services				
Adult Literacy	157,212	-	-	157,212
Neighborhood Development Area Career and community development	26,074	-	-	26,074
Train and earn	99,811	-	-	99,811
Train and earn Follow-Up Year	684,536	-	-	684,536
Chinese School	175,629	-	-	175,629
Business Outreach Center	275,556	-	-	275,556
Jobs to Build On	294,170	-	-	294,170
Summer Youth Employment	8,987	-	-	8,987
Total program services	<u>95,972</u>	<u>-</u>	<u>-</u>	<u>95,972</u>
Supporting activities	1,817,947	-	-	1,817,947
Management and general Development	368,739	-	-	368,739
Total expenses	<u>12,781</u>	<u>-</u>	<u>-</u>	<u>12,781</u>
	<u>2,199,467</u>	<u>-</u>	<u>-</u>	<u>2,199,467</u>
Increase (decrease) in net assets	(43,276)	-	102,330	59,054
Net assets, beginning of year	<u>2,685,878</u>	<u>480,000</u>	<u>294,289</u>	<u>3,460,167</u>
Net assets, end of year	<u>\$ 2,642,602</u>	<u>\$ 480,000</u>	<u>\$ 396,619</u>	<u>\$ 3,519,221</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2022

(with Summarized Comparative Information For the Year Ended June 30, 2021)

	2022								
	Program Services								
	<u>Adult Literacy</u>	<u>Neighborhood Development Area</u>	<u>Career & Community Development</u>	<u>Train and Earn</u>	<u>Chinese School</u>	<u>Business Outreach Center</u>	<u>ONA</u>	<u>Summer Youth Employment</u>	<u>Total Program Services</u>
Salaries and related									
Salaries	\$ 196,378	\$ 18,054	\$ 221,216	\$ 673,838	\$ 132,704	\$ 175,209	\$ 41,859	\$ 156,373	\$1,615,631
Payroll taxes and benefits	<u>21,155</u>	<u>2,002</u>	<u>23,141</u>	<u>72,014</u>	<u>12,957</u>	<u>17,273</u>	<u>7,054</u>	<u>16,376</u>	<u>171,972</u>
Total salaries and related	217,533	20,056	244,357	745,852	145,661	192,482	48,913	172,749	1,787,603
Other									
Supplies	21,466	2,042	21,105	27,628	17,746	6,832	1,492	4,917	103,228
Insurance	6,935	167	2,752	15,922	-	3,646	778	2,813	33,013
Rent, including utilities	12,064	292	20,176	27,926	13,088	4,851	1,355	4,212	83,964
Catering, facilities and other	-	-	-	-	-	-	-	-	-
Telephone and postage	1,451	114	1,793	6,889	2,973	1,660	282	1,022	16,184
Professional fees	2,266	18	27,949	6,405	143	6,405	140	54	43,380
Advertising	2,835	-	51,773	20,213	-	-	-	-	74,821
Travel	69	703	346	8,988	54	63	17	986	11,226
Payroll service fees	4,216	422	6,748	19,471	3,377	3,950	1,040	2,385	41,609
Other	5,430	347	823	21,358	3,027	186	35	38,294	69,500
Depreciation and amortization	<u>6,498</u>	<u>156</u>	<u>10,836</u>	<u>15,022</u>	<u>-</u>	<u>2,610</u>	<u>729</u>	<u>2,306</u>	<u>38,157</u>
Total	280,763	24,317	388,658	915,674	186,069	222,685	54,781	229,738	2,302,685
Less: cost of direct benefit to donors	-	-	-	-	-	-	-	-	-
Total expenses per statement of activities	<u>\$ 280,763</u>	<u>\$ 24,317</u>	<u>\$ 388,658</u>	<u>\$ 915,674</u>	<u>\$ 186,069</u>	<u>\$ 222,685</u>	<u>\$ 54,781</u>	<u>\$ 229,738</u>	<u>\$2,302,685</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses (continued)

For the Year Ended June 30, 2022

(with Summarized Comparative Information for the Year Ended June 30, 2021)

	<u>2022 (continued)</u>			<u>2021</u>
	<u>Supporting Activities</u>			
	<u>Management and General</u>		<u>Development</u>	<u>Total</u>
	<u>General</u>	<u>Development</u>	<u>Total</u>	<u>Total</u>
Salaries and related				
Salaries	\$ 343,518	\$ -	\$1,959,149	\$1,629,360
Payroll taxes and benefits	<u>34,987</u>	<u>-</u>	<u>206,959</u>	<u>191,524</u>
Total salaries and related	378,505	-	2,166,108	1,820,884
Other				
Supplies	5,113	3,512	111,853	116,715
Insurance	-	-	33,013	32,307
Rent, including utilities	6,661	1	90,626	82,880
Catering, facilities and other	-	126,099	126,099	9,610
Telephone and postage	4,048	145	20,377	20,483
Professional fees	28,762	23	72,165	38,721
Advertising	2,598	-	77,419	17,014
Travel	2,501	9	13,736	3,862
Payroll service fees	2,047	1,373	45,029	24,361
Other	16,415	3	85,918	30,301
Depreciation and amortization	<u>1,953</u>	<u>-</u>	<u>40,110</u>	<u>11,939</u>
Total	448,603	131,165	2,882,453	2,209,077
Less: costs of direct benefit to donors	<u>-</u>	<u>126,099</u>	<u>126,099</u>	<u>9,610</u>
Total expenses per the statement of activities	<u>\$ 448,603</u>	<u>\$ 5,066</u>	<u>\$2,756,354</u>	<u>\$2,199,467</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services									Total Program Services
	Train and Earn									
	Adult Literacy	Neighborhood Development Area	Career & Community Development	Train and Earn	Youth Follow-Up Year	Chinese School	Business Outreach Center	Jobs to Build On	Summer Youth Employment	
Salaries and related										
Salaries	\$ 120,551	\$ 18,053	\$ 74,833	\$ 492,827	\$ 110,759	\$ 225,291	\$ 237,265	\$ 7,786	\$ 77,434	\$1,364,799
Payroll taxes and benefits	16,166	2,161	7,972	64,592	12,570	19,011	25,157	1,013	8,826	157,468
Total salaries and related	136,717	20,214	82,805	557,419	123,329	244,302	262,422	8,799	86,260	1,522,267
Other										
Supplies	13,097	2,282	2,511	25,094	52,300	12,829	4,945	12	3,614	116,684
Insurance	3,275	562	305	15,289	-	-	5,944	27	1,043	26,445
Rent, including utilities	-	1,565	-	47,400	-	15,000	10,688	-	2,741	77,394
Catering, facilities and other	-	-	-	-	-	-	-	-	-	-
Telephone and postage	1,617	134	464	5,817	-	731	2,115	58	593	11,529
Professional fees	-	-	560	-	-	-	4,000	-	-	4,560
Advertising	-	-	1,750	14,481	-	-	-	-	-	16,231
Travel	-	-	213	972	-	-	-	-	387	1,572
Payroll service fees	1,826	200	980	7,456	-	-	1,881	87	604	13,034
Other	680	820	10,223	2,134	-	2,694	165	4	210	16,930
Depreciation and amortization	-	297	-	8,474	-	-	2,010	-	520	11,301
Total	157,212	26,074	99,811	684,536	175,629	275,556	294,170	8,987	95,972	1,817,947
Less: cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	-
Total expenses per statement of activities	\$ 157,212	\$ 26,074	\$ 99,811	\$ 684,536	\$ 175,629	\$ 275,556	\$ 294,170	\$ 8,987	\$ 95,972	\$1,817,947

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

**Statement of Functional Expenses (continued)
For the Year Ended June 30, 2021**

	<u>Supporting Activities</u>		
	Management and		
	<u>General</u>	<u>Development</u>	<u>Total</u>
Salaries and related			
Salaries	\$ 258,523	\$ 6,038	\$1,629,360
Payroll taxes and benefits	<u>33,437</u>	<u>619</u>	<u>191,524</u>
Total salaries and related	291,960	6,657	1,820,884
Other			
Supplies	-	31	116,715
Insurance	5,796	66	32,307
Rent, including utilities	5,486	-	82,880
Catering, facilities and other	-	9,610	9,610
Telephone and postage	8,811	143	20,483
Professional fees	29,000	5,161	38,721
Advertising	783	-	17,014
Travel	2,290	-	3,862
Payroll service fees	11,114	213	24,361
Other	12,861	510	30,301
Depreciation and amortization	<u>638</u>	<u>-</u>	<u>11,939</u>
Total	368,739	22,391	2,209,077
Less: costs of direct benefit to donors	<u>-</u>	<u>9,610</u>	<u>9,610</u>
Total expenses per the statement of activities	<u>\$ 368,739</u>	<u>\$ 12,781</u>	<u>\$2,199,467</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statements of Cash Flows

	For the Year Ended June 30	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Increase in net assets	\$ 288,174	\$ 59,054
Adjustment to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	40,111	11,939
Realized and unrealized (gains) losses on investments	208,808	(196,713)
(Increase) decrease in current assets		
Accounts receivable	(1,005,151)	259,011
Prepaid expenses and other	(25,299)	(4,706)
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	181,371	32,430
Unearned revenue	70,496	18,600
Deferred grant (PPP)	(266,723)	-
Net cash provided by (used in) operating activities	<u>(508,213)</u>	<u>179,615</u>
Cash flows from investing activities		
Purchases of property and equipment	(219,381)	(31,332)
Purchases of investments	(619,783)	(623,492)
Proceeds from sales of investments and maturities of certificates of deposit	<u>844,190</u>	<u>544,895</u>
Net cash provided by (used in) investing activities	<u>5,026</u>	<u>(109,929)</u>
Cash flows from financing activities		
Repayment of deferred grant (PPP)	<u>(137,034)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(640,221)	69,686
Cash and cash equivalents, beginning of year	<u>1,650,327</u>	<u>1,580,641</u>
Cash and cash equivalents, end of year	<u>\$ 1,010,106</u>	<u>\$ 1,650,327</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.**Notes to Financial Statements
June 30, 2022 and June 30, 2021****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 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, 2022 and June 30, 2021**

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. CMP amortizes leasehold improvements using the straight-line method over their estimated useful lives or the length of the lease, whichever is shorter.

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

Equipment, furniture and fixtures	5 years
Leasehold improvements	10 years

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, 2022 and June 30, 2021****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 has been made in the accompanying financial statements.

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.

Concentrations of credit risk

CMP financial instruments that are potentially exposed to concentrations of credit risk consist of cash, 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 statement of financial position at June 30, 2022. 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, cash equivalents, investments and accounts receivable.

CHINATOWN MANPOWER PROJECT, INC.

**Notes to Financial Statements (continued)
June 30, 2022 and June 30, 2021**

Note 2 – Summary of significant accounting policies (continued)

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 January 16, 2023 for these financial statements.

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, 2022 and June 30, 2021 that are available for general use within one year of the statements of financial position date:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,010,106	\$ 1,650,327
Investments, at fair value	1,583,915	2,017,130
Accounts receivable	<u>1,411,306</u>	<u>406,155</u>
Sub-total	4,005,327	4,073,612
Less: Board designated fund	<u>480,000</u>	<u>480,000</u>
Total	<u>\$ 3,525,327</u>	<u>\$ 3,593,612</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, 2022 and June 30, 2021:

	<u>2022</u>	<u>2021</u>	Fair Value <u>Level</u>
Certificates of deposit	\$ 368,084	\$ 366,453	1
Mutual funds – alternative investments	317,542	401,488	1
Common stock	390,534	606,174	1
Government agency securities	337,672	398,806	1
Corporate bonds	<u>170,083</u>	<u>244,209</u>	1
Total	<u>\$ 1,583,915</u>	<u>\$ 2,017,130</u>	

CHINATOWN MANPOWER PROJECT, INC.

Notes to Financial Statements (continued)
June 30, 2022 and June 30, 2021

Note 5 – Deferred grant

During 2020, CMP received \$403,757 from the Small Business Administration under the Paycheck Protection Program (“PPP”) which was a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). During the 2022 fiscal year, CMP had \$266,723 of the loan forgiven, which is recognized as government grant revenue in the 2022 statement of activities. CMP repaid the remaining balance of the deferred grant that was not forgiven during fiscal 2022.

Note 6 – Net assets with donor restrictions

The following is the activity of the net assets with donor restrictions for the years ended June 30, 2022 and June 30, 2021:

	2022			
	Balance at June 30, 2021	<u>Contributions</u>	Net Assets Released from <u>Restrictions</u>	Balance June 30, 2022
Anti-Asian Hate Response	\$ 35,000	\$ -	\$ (10,097)	\$ 24,903
Business Outreach Center expansion	150,000	-	-	150,000
Career Advancement Program	-	10,000	-	10,000
Companionship Program	18,200	-	-	18,200
COVID-19 Response	6,825	10,000	-	16,825
Hope Against Hate	-	23,750	-	23,750
In School Youth	11,763	-	-	11,763
Income Security	5,000	-	-	5,000
Individual Development				
Accounts	49,590	-	-	49,590
Microlending	65,000	50,000	-	115,000
Mobile Jobs	25,466	81,666	(31,365)	75,767
Mulberry Street Project	12,105	-	-	12,105
Operation Power to the Community	7,500	-	-	7,500
Other	170	-	-	170
Project Risen	10,000	-	-	10,000
Total	<u>\$ 396,619</u>	<u>\$ 175,416</u>	<u>\$ (41,462)</u>	<u>\$ 530,573</u>

CHINATOWN MANPOWER PROJECT, INC.

Notes to Financial Statements (continued)
June 30, 2022 and June 30, 2021

Note 6 – Net assets with donor restrictions (continued)

	2021			
	Balance at June 30, 2020	<u>Contributions</u>	Net Assets Released from <u>Restrictions</u>	Balance June 30, 2021
Anti-Asian Hate Response	\$ -	\$ 35,000	\$ -	\$ 35,000
Business American Style	499	-	(499)	-
Business Outreach Center expansion	150,000	-	-	150,000
Companionship Program	18,200	-	-	18,200
COVID-19 Response	34,811	13,500	(41,486)	6,825
In School Youth	11,763	-	-	11,763
Income Security	-	5,000	-	5,000
Individual Development Accounts	49,590	-	-	49,590
Microlending	15,000	50,000	-	65,000
Mobile Jobs	2,151	80,000	(56,685)	25,466
Mulberry Street Project	12,105	-	-	12,105
Operation Power to the Community	-	7,500	-	7,500
Other	170	-	-	170
Project Risen	-	10,000	-	10,000
Total	<u>\$ 294,289</u>	<u>\$ 201,000</u>	<u>\$ (98,670)</u>	<u>\$ 396,619</u>

Note 7 – Tuition-related revenue

The following is a summary of the tuition-related revenue for the years ended June 30, 2022 and June 30, 2021:

2022			
<u>Description</u>	<u>Gross Tuition Revenue</u>	<u>Refunds</u>	<u>Tuition-related revenue, net per Statements of Activities</u>
Grants from government agencies - tuition	<u>\$ 679,977</u>	<u>\$ (2,149)</u>	<u>\$ 677,828</u>
2021			
<u>Description</u>	<u>Gross Tuition Revenue</u>	<u>Refunds</u>	<u>Tuition-related revenue, net per Statements of Activities</u>
Grants from government agencies - tuition	<u>\$ 466,261</u>	<u>\$ (800)</u>	<u>\$ 465,461</u>

CHINATOWN MANPOWER PROJECT, INC.

**Notes to Financial Statements (continued)
June 30, 2022 and June 30, 2021**

Note 8 – Commitments

During July 2021, CMP signed a five-year lease for new office space beginning August 1, 2021 through July 31, 2026. The lease calls for monthly rental payments of \$13,675 in year one and increasing annually to \$17,883 per month in the final year. CMP has the option to renew the lease for one additional two-year period through July 31, 2028.

The following are the future minimum payments due under the lease at June 30, 2022:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 175,670
2024	188,293
2025	200,916
2026	213,539
2027	<u>17,883</u>
Total	<u>\$ 796,301</u>

Note 9 – 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, 2022 was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information contained on page 19 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'Leary McGinty & Donnelly LLP

January 16, 2023

CHINATOWN MANPOWER PROJECT, INC.

**Schedule of Expenses for Department of Youth and Community Development
For the Year Ended June 30, 2022**

	<u>NDA</u>	<u>Train and Earn Program Year</u>	<u>Total DYCD Funded Expenditures</u>
Salaries and related expenses			
Salaries and related expense	\$ 17,548	\$ 644,365	\$ 661,913
Payroll taxes and benefits	<u>1,961</u>	<u>69,658</u>	<u>71,619</u>
Total salaries and related expenses	<u>19,509</u>	<u>714,023</u>	<u>733,532</u>
Other expenses			
Supplies	2,042	26,020	28,062
Insurance	167	15,727	15,894
Rent, including utilities	291	27,377	27,668
Telephone and postage	114	6,183	6,297
Professional fees	18	6,294	6,312
Advertising	-	20,213	20,213
Travel	702	8,946	9,648
Payroll service fees	422	16,858	17,280
Other	347	21,346	21,693
Equipment purchases	<u>5</u>	<u>13,424</u>	<u>13,429</u>
Total other	<u>4,108</u>	<u>162,388</u>	<u>166,496</u>
Total	<u>\$ 23,617</u>	<u>\$ 876,411</u>	<u>\$ 900,028</u>