

**CHINATOWN MANPOWER  
PROJECT, INC.**

**Financial Statements  
and  
Supplementary Information  
For the Years Ended  
June 30, 2014  
and  
June 30, 2013**

## TABLE OF CONTENTS

	Page
<b>Independent Auditor's Report</b>	1
<b>Financial Statements:</b>	
Statement of Financial Position	3
Statement of Activities For the Year Ended June 30, 2014	4
Statement of Activities For the Year Ended June 30, 2013	5
Statement of Functional Expenses For the Year Ended June 30, 2014	6-7
Statement of Functional Expenses For the Year Ended June 30, 2013	8-9
Statement of Cash Flows	10
Notes to Financial Statements	11-16
<b>Supplementary Information:</b>	
Schedule of Expenditures of Federal Awards	17-18
Notes to Schedule of Federal Awards	19
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	20-21
Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards	22-24
Schedule of Findings and Questioned Costs	25-26
Status of Prior Year's Findings	27

---

CONDON  
O'MEARA  
MCGINTY &  
DONNELLY LLP

---

Certified Public Accountants

One Battery Park Plaza  
New York, NY 10004-1405  
Tel: (212) 661 - 7777  
Fax: (212) 661 - 4010

Independent Auditor's Report

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

We have audited the accompanying financial statements of Chinatown Manpower Project, Inc. which comprise the statement of financial position as of June 30, 2014 and June 30, 2013 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 on the previous page present fairly, in all material respects, the financial position of Chinatown Manpower Project, Inc. as of June 30, 2014 and June 30, 2013, 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.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2015 on our consideration of the organization's internal control over financial reporting and on 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* in considering the organization's internal control over financial reporting and compliance.

Carson Gillespie McGinty & Donnelly LLP

March 24, 2015

**CHINATOWN MANPOWER PROJECT, INC.**

**Statement of Financial Position**

Assets

	June 30	
	2014	2013
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,002,004	\$ 1,993,455
Investments, at fair value	1,364,440	1,427,710
Grants receivable	456,351	371,470
Prepaid expenses and other assets	40,157	36,645
Total current assets	<u>3,862,952</u>	<u>3,829,280</u>
<b>Property and equipment</b>		
Equipment, furniture and fixtures	137,186	128,373
Leasehold improvements	328,628	314,877
Total property and equipment	465,814	443,250
Less accumulated depreciation and amortization	350,247	293,782
Net property and equipment	<u>115,567</u>	<u>149,468</u>
<b>Total assets</b>	<u><b>\$ 3,978,519</b></u>	<u><b>\$ 3,978,748</b></u>

Liabilities and Net Assets

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 203,740	\$ 164,104
Unearned revenue	155,695	109,043
Total liabilities	<u>359,435</u>	<u>273,147</u>
<b>Net assets</b>		
Unrestricted	3,503,760	3,592,214
Temporarily restricted	115,324	113,387
Total net assets	<u>3,619,084</u>	<u>3,705,601</u>
<b>Total liabilities and net assets</b>	<u><b>\$ 3,978,519</b></u>	<u><b>\$ 3,978,748</b></u>

See notes to financial statements.

## CHINATOWN MANPOWER PROJECT, INC.

Statement of Activities  
For the Year Ended June 30, 2014  
(with Summarized Comparative Information for the Year Ended June 30, 2013)

	2014			Total 2013
	Unrestricted	Temporarily Restricted	Total	
<b>Public support and revenue</b>				
Grants from government agencies	\$ 982,836	\$ -	\$ 982,836	\$ 1,098,736
Grants from government agencies - tuition	191,403	-	191,403	196,298
Special events, net of direct benefits to donors of \$65,735 and \$55,564 for 2014 and 2013, respectively	139,045	-	139,045	99,164
Contributions	77,410	85,500	162,910	81,605
In-kind contributions	465,960	-	465,960	465,960
Program service fees				
Certified nurses aid program	25,677	-	25,677	66,220
Chinese school	213,345	-	213,345	142,195
CMP Academy	29,641	-	29,641	12,600
Other	12,706	-	12,706	16,310
Realized and unrealized gains on investments	72,609	-	72,609	21,728
Interest, net of investment fees of \$15,473 and \$16,826 for 2014 and 2013, respectively	14,794	-	14,794	22,381
Net assets released from restrictions	83,563	(83,563)	-	-
Total public support and revenue	<u>2,308,989</u>	<u>1,937</u>	<u>2,310,926</u>	<u>2,223,197</u>
<b>Expenses</b>				
Program services				
Adult Literacy	146,981	-	146,981	150,987
Deferred Action for Childhood Arrivals	170,145	-	170,145	-
Individual Development Accounts	-	-	-	3,799
ESOL/Civics Education	19,392	-	19,392	16,798
Out of School Youth	856,083	-	856,083	919,134
Certified Nurses Aid	50,260	-	50,260	84,004
Chinese School	252,625	-	252,625	223,462
Business Outreach Center	139,146	-	139,146	188,578
Refugee Social Services	34,805	-	34,805	14,521
Jobs to Build On	28,297	-	28,297	27,765
Summer Youth Employment	170,433	-	170,433	126,187
Food Stamps	85,707	-	85,707	65,406
Educational Resources	-	-	-	5,423
CMP Academy	160,383	-	160,383	80,177
Total program services	<u>2,114,257</u>	<u>-</u>	<u>2,114,257</u>	<u>1,906,241</u>
Supporting services				
Management and general	266,665	-	266,665	363,519
Development	16,521	-	16,521	53,148
Total expenses	<u>2,397,443</u>	<u>-</u>	<u>2,397,443</u>	<u>2,322,908</u>
Increase (decrease) in net assets	(88,454)	1,937	(86,517)	(99,711)
Net assets, beginning of year	<u>3,592,214</u>	<u>113,387</u>	<u>3,705,601</u>	<u>3,805,312</u>
Net assets, end of year	<u>\$ 3,503,760</u>	<u>\$ 115,324</u>	<u>\$ 3,619,084</u>	<u>\$ 3,705,601</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Activities
For the Year Ended June 30, 2013

Table with 4 columns: Description, Unrestricted, Temporarily Restricted, Total. Rows include Public support and revenue (Grants from government agencies, Contributions, etc.), Expenses (Program services, Supporting services), and Net assets (beginning of year, end of year).

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses  
For the Year Ended June 30, 2014  
(with Summarized Comparative Information For the Year Ended June 30, 2013)

	2014									
	Adult Literacy	Deferred Action for Childhood Arrivals	ESOL/ Civics Education	Out of School Youth	Certified Nurses Aid	Chinese School	Business Outreach Center	Refugee Social Services	Jobs to Build On	
Salaries and related expenses	\$ 80,840	\$ 90,438	\$ 10,485	\$ 469,794	\$ 23,468	\$ 144,394	\$ 75,775	\$ 21,529	\$ 17,315	
Salaries	13,657	12,932	1,247	82,448	2,657	21,110	16,380	2,298	2,317	
Payroll taxes and benefits	94,497	103,370	11,732	552,242	26,125	165,504	92,155	23,827	19,632	
Total salaries and related expenses										
Other expenses										
Supplies	5,391	3,400	539	9,378	832	10,573	1,558	94	68	
Insurance	1,668	1,712	542	7,610	-	1,492	429	257	633	
Rent, including utilities	35,768	38,818	5,358	203,170	8,626	58,730	32,112	7,998	6,482	
Contract services	896	1,051	104	4,562	-	1,381	866	-	180	
Maintenance and repairs	595	617	179	2,780	-	574	182	94	24	
Equipment	570	585	185	2,602	-	510	164	89	-	
Telephone and postage	1,011	1,186	117	5,439	541	1,558	1,057	231	203	
Professional fees	-	-	-	7,439	-	-	4,000	-	-	
Advertising	-	5,200	-	15,092	12,101	-	-	-	-	
Staff development	-	1,675	-	800	300	-	-	-	-	
Participant payments	-	-	-	-	-	-	-	-	-	
Travel	38	-	-	-	-	-	-	-	-	
Payroll service fee	755	886	67	15	-	1,275	1,451	-	-	
Printing and copying	279	351	26	4,022	-	1,164	740	413	152	
Other	1,537	6,945	49	1,850	574	1,315	327	113	46	
Bad debt	-	-	-	15,846	62	1,585	227	686	51	
Depreciation and amortization	3,976	4,349	494	23,236	-	-	-	-	-	
Total expenses	\$ 146,981	\$ 170,145	\$ 19,392	\$ 856,083	\$ 50,260	\$ 252,625	\$ 139,146	\$ 34,805	\$ 28,297	

See notes to financial statements.



CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses (continued)  
For the Year Ended June 30, 2014

(with Summarized Comparative Information for the Year Ended June 30, 2013)

	2014						Total 2013
	Program Services			Supporting Services			
	Summer Youth Employment	Food Stamps	CMP Academy	Total Program Services	Management and General	Development	
<b>Salaries and related expenses</b>							
Salaries	\$ 99,478	\$ 38,884	\$ 50,033	\$1,122,433	\$ 86,895	\$ 7,178	\$1,204,041
Payroll taxes and benefits	17,228	5,292	5,672	183,238	10,415	1,115	194,768
Total salaries and related expenses	116,706	44,176	55,705	1,305,671	97,310	8,293	1,411,274
<b>Other expenses</b>							
Supplies	1,379	463	12,752	46,427	9,516	164	56,107
Insurance	1,015	348	2,632	18,338	7,314	-	25,974
Rent, including utilities	41,906	15,539	25,599	480,106	55,058	2,738	537,902
Contract services	746	20,080	32,829	62,695	4,112	438	67,245
Maintenance and repairs	296	164	915	6,420	2,901	33	9,354
Equipment	274	119	900	5,998	2,935	-	8,933
Telephone and postage	861	824	1,441	14,469	5,933	519	20,921
Professional fees	-	-	100	11,539	27,659	2,520	41,718
Advertising	-	625	17,067	50,085	480	150	30,816
Staff development	-	100	1,365	4,240	1,552	-	5,792
Participant payments	-	-	-	-	-	-	2,949
Travel	398	-	-	3,177	15,944	-	3,799
Payroll service fee	647	616	955	10,417	3,493	369	6,459
Printing and copying	723	186	1,416	7,206	3,273	836	13,315
Other	571	608	4,363	32,530	25,091	113	8,832
Bad debt	-	-	-	-	-	-	43,454
Depreciation and amortization	4,911	1,859	2,344	54,939	4,094	348	32,855
<b>Total expenses</b>	\$ 170,433	\$ 85,707	\$ 160,383	\$2,114,257	\$ 266,665	\$ 16,521	\$2,322,908

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses  
For the Year Ended June 30, 2013

	Adult Literacy	Individual Development Accounts	ESOL/Civics Education	Out of School Youth	Certified Nurses Aid	Chinese School	Business Outreach Center	Refugee Social Services	Jobs to Build On
Salaries and related expenses									
Salaries	\$ 83,502	\$ -	\$ 9,404	\$ 516,028	\$ 40,380	\$ 130,446	\$ 99,051	\$ 8,481	\$ 17,558
Payroll taxes and benefits	14,110	-	1,626	78,035	5,689	18,253	18,972	1,012	1,446
Total salaries and related expenses	<u>97,612</u>	<u>-</u>	<u>11,030</u>	<u>594,063</u>	<u>46,069</u>	<u>148,699</u>	<u>118,023</u>	<u>9,493</u>	<u>19,004</u>
Other expenses									
Supplies	6,414	-	210	6,927	3,385	6,652	10,797	17	1
Insurance	1,300	-	405	7,891	-	-	543	296	-
Rent, including utilities	37,264	-	4,197	230,288	18,020	58,214	44,203	3,785	7,836
Contract services	1,012	-	67	6,053	127	353	1,023	130	11
Maintenance and repairs	560	-	128	2,241	-	39	264	10	-
Equipment	483	-	120	2,597	-	234	246	60	-
Telephone and postage	963	-	58	5,354	244	351	1,234	156	18
Professional fees	-	-	-	6,450	-	-	4,000	-	-
Advertising	-	-	-	7,596	13,303	-	-	-	-
Staff development	50	-	-	295	100	-	-	-	-
Participant payments	-	3,799	-	-	-	-	845	-	-
Travel	15	-	-	-	-	-	-	-	-
Payroll service fee	750	-	-	20	5	1,557	266	-	-
Printing and copying	138	-	64	4,236	91	255	735	93	8
Other	216	-	5	1,193	401	468	1,201	33	-
Bad debt	-	-	40	17,915	223	64	204	20	2
Depreciation and amortization	4,210	-	474	26,015	-	6,576	4,994	428	885
Total expenses	<u>\$ 150,987</u>	<u>\$ 3,799</u>	<u>\$ 16,798</u>	<u>\$ 919,134</u>	<u>\$ 84,004</u>	<u>\$ 223,462</u>	<u>\$ 188,578</u>	<u>\$ 14,521</u>	<u>\$ 27,765</u>

See notes to financial statements.

CHINATOWN MANPOWER PROJECT, INC.

Statement of Functional Expenses (continued)  
For the Year Ended June 30, 2013

	Program Services					Supporting Services			Total
	Summer Youth Employment	Food Stamps	Educational Resources	CMP Academy	Total Program Services	Management and General		Development	
<b>Salaries and related expenses</b>									
Salaries	\$ 72,941	\$ 33,612	\$ 3,035	\$ 40,144	\$1,054,582	\$ 123,032	\$ 26,427	\$1,204,041	
Payroll taxes and benefits	10,848	4,219	739	4,484	159,433	5,753	4,094	169,280	
Total salaries and related expenses	<u>83,789</u>	<u>37,831</u>	<u>3,774</u>	<u>44,628</u>	<u>1,214,015</u>	<u>128,785</u>	<u>30,521</u>	<u>1,373,321</u>	
<b>Other expenses</b>									
Supplies	2,391	377	2	5,050	42,223	8,881	1,205	52,309	
Insurance	591	-	74	-	11,100	14,874	-	25,974	
Rent, including utilities	32,551	15,000	1,354	17,915	470,627	54,905	11,795	537,327	
Contract services	425	10,318	14	247	19,780	22,661	170	42,611	
Maintenance and repairs	198	-	3	24	3,467	9,701	-	13,168	
Equipment	183	-	16	460	4,399	5,207	-	9,606	
Telephone and postage	469	87	20	223	9,177	9,163	658	18,998	
Professional fees	-	-	-	-	10,450	31,839	4,125	46,414	
Advertising	-	-	-	8,780	29,679	1,137	-	30,816	
Staff development	-	-	-	330	1,620	1,254	75	2,949	
Participant payments	-	-	-	-	3,799	-	-	3,799	
Travel	240	-	-	-	2,103	4,270	86	6,459	
Payroll service fee	364	57	10	164	6,827	6,366	122	13,315	
Printing and copying	912	28	-	292	4,671	1,132	3,029	8,832	
Other	397	13	3	40	19,137	24,286	31	43,454	
Bad debt	-	-	-	-	-	32,855	-	32,855	
Depreciation and amortization	3,677	1,695	153	2,024	53,167	6,203	1,331	60,701	
<b>Total expenses</b>	<u>\$ 126,187</u>	<u>\$ 65,406</u>	<u>\$ 5,423</u>	<u>\$ 80,177</u>	<u>\$1,906,241</u>	<u>\$ 363,519</u>	<u>\$ 53,148</u>	<u>\$2,322,908</u>	

See notes to financial statements.

## CHINATOWN MANPOWER PROJECT, INC.

## Statement of Cash Flows

	For the Year Ended June 30	
	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities</b>		
(Decrease) in net assets	\$ (86,517)	\$ (99,711)
Adjustment to reconcile (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	59,381	60,701
Realized and unrealized (gains) on investments	(72,609)	(21,728)
Decrease (increase) in current assets		
Grants receivable	(84,881)	104,214
Prepaid expenses and other assets	(3,512)	87
Increase in current liabilities		
Accounts payable and accrued expenses	39,636	11,612
Unearned revenue	<u>46,652</u>	<u>72,477</u>
Net cash provided by (used in) operating activities	<u>(101,850)</u>	<u>127,652</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(25,480)	(16,790)
Purchase of investments	(482,784)	(608,139)
Sale of investments	<u>618,663</u>	<u>638,601</u>
Net cash provided by investing activities	<u>110,399</u>	<u>13,672</u>
Net increase in cash and cash equivalents	8,549	141,324
Cash and cash equivalents, at the beginning of year	<u>1,993,455</u>	<u>1,852,131</u>
Cash and cash equivalents, at the end of year	<u>\$ 2,002,004</u>	<u>\$ 1,993,455</u>

See notes to financial statements.

**CHINATOWN MANPOWER PROJECT, INC.**

Notes to Financial Statements  
June 30, 2014 and June 30, 2013

**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****Basis of presentation****Net assets**

CMP’s net assets consist of the following:

**Unrestricted** – 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.

**Temporarily restricted** – 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. Temporarily restricted contributions that originate in a given year and are released from restriction in the same year are reflected within unrestricted net assets.

**Permanently restricted** – net assets of CMP, which a donor stipulates must be maintained by an organization in perpetuity. As of June 30, 2014 and June 30, 2013, CMP did not have any permanently restricted net assets.

**Cash and cash equivalents**

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

**Allowance for doubtful accounts**

CMP has determined that all of its grants are collectible and an allowance for doubtful accounts is not required. 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, 2014 and June 30, 2013**

**Note 2 – Summary of significant accounting policies (continued)**

Investments

Investments are stated at their fair value in the statement of financial position. The investments are managed by professional investment advisors and managers. Unrealized gains and losses are included in the statement of activities.

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

Equipment	3-5 years
Furniture and fixtures	5-10 years
Leasehold improvements	7-10 years

During the 2014 fiscal year, fully depreciated property and equipment totaling \$2,916 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.

Government grant revenue recognition

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.

**CHINATOWN MANPOWER PROJECT, INC.****Notes to Financial Statements (continued)  
June 30, 2014 and June 30, 2013****Note 2 – Summary of significant accounting policies (continued)****Government grant revenue recognition (continued)**

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.

**Contributed space**

CMP currently leases its space from the City of New York for a nominal amount. Under accounting standards, the contributed use of property must be recorded at the fair value. 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.

**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 programs and supporting services benefited.

**Concentrations of credit risk**

CMP financial instruments that are potentially exposed to concentrations of credit risk consist of cash and cash equivalents, investments and grants receivable. CMP places its cash and cash equivalents with what it believes to be quality financial institutions. At times, cash balances may be in excess of the FDIC insurance limits. CMP routinely assesses the financial strength of its cash and cash equivalents. CMP invests in certificates of deposit, mutual funds, common stock, government and agency securities and corporate bonds. CMP management monitors the collectibility of the grants receivable. As a result, management believes the concentrations of credit risk are limited with respect to its cash and cash equivalents, investments and grants receivable.

**CHINATOWN MANPOWER PROJECT, INC.**

Notes to Financial Statements (continued)  
June 30, 2014 and June 30, 2013

**Note 2 – Summary of significant accounting policies (continued)****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 market 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.

CMP has classified all of its investments as Level 1 as of June 30, 2014 and June 30, 2013.

**Reclassification**

Certain items in the 2013 financial statements have been reclassified for comparative purposes only.

**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 was March 24, 2015 for these financial statements.



## CHINATOWN MANPOWER PROJECT, INC.

Notes to Financial Statements (continued)  
June 30, 2014 and June 30, 2013Note 3 – Investments, at fair value

Investments, at fair value, consisted of the following as of June 30, 2014 and June 30, 2013:

	2014	2013	Fair Value Levels
Certificates of deposit	\$ 353,803	\$ 352,519	1
Mutual funds – alternative investments	149,743	-	1
Mutual funds – emerging markets	-	16,628	1
Mutual funds – fixed income	182,581	252,648	1
Common stock	355,369	308,850	1
Government and Agency securities	152,995	244,591	1
Corporate bonds	169,949	252,474	1
Total	<u>\$ 1,364,440</u>	<u>\$ 1,427,710</u>	

Note 4 – Temporarily restricted net assets

The following is the temporarily restricted net assets activity for the years ended June 30, 2014 and June 30, 2013:

	2014			
	Balance at June 30, 2013	Additions	Net Assets Released from Restrictions	Balance June 30, 2014
CMP Academy	\$ -	\$ 35,000	\$ (35,000)	\$ -
Business American Style Individual Development Accounts	13,879	5,000	(17,013)	1,866
In School Youth	49,590	-	-	49,590
Mulberry Street Project	11,763	-	-	11,763
Food Stamp Employment Training	12,105	-	-	12,105
Adult Literacy	12,000	-	(12,000)	-
Time restricted	-	5,500	(5,500)	-
Total	<u>14,050</u>	<u>40,000</u>	<u>(14,050)</u>	<u>40,000</u>
	<u>\$ 113,387</u>	<u>\$ 85,500</u>	<u>\$ (83,563)</u>	<u>\$ 115,324</u>

## CHINATOWN MANPOWER PROJECT, INC.

Notes to Financial Statements (continued)  
June 30, 2014 and June 30, 2013Note 4 – Temporarily restricted net assets (continued)

	2013			Balance June 30, 2013
	Balance at June 30, 2012	Additions	Released from Restrictions	
Business American Style	\$ 14,033	\$ 5,000	\$ (5,154)	\$ 13,879
Adult Training Program	23,250	-	(23,250)	-
Individual Development				
Accounts	51,489	-	(1,899)	49,590
In School Youth	11,763	-	-	11,763
Financial Literacy	34,532	-	(34,532)	-
Mulberry Street Project	12,105	-	-	12,105
Food Stamp Employment				
Training	16,000	4,000	(8,000)	12,000
Adult Literacy	-	5,000	(5,000)	-
Capital	5,400	-	(5,400)	-
Time restricted	20,000	14,050	(20,000)	14,050
Total	<u>\$ 188,572</u>	<u>\$ 28,050</u>	<u>\$ (103,235)</u>	<u>\$ 113,387</u>

Note 5 – Litigation

CMP was involved in a legal proceeding arising in the ordinary course of business. CMP settled the legal proceeding in November 2014. CMP's insurance company covered substantially all of the amount of settlement, less a \$5,000 deductible and applicable taxes.

Note 6 – 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. As of June 30, 2014, no amounts have been recognized for uncertain income tax positions. In addition, CMP's tax returns for the year 2011 and forward are subject to the usual review by the appropriate authorities.

## CHINATOWN MANPOWER PROJECT, INC.

Schedule of Expenditures of Federal Awards (continued)  
For the Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grant/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Contract/ Pass-through Number</u>	<u>Expenditures of Federal Awards</u>
<b>U.S. Department of Labor</b>			
WIA Youth Activities:			
Pass-through New York City Department of Youth and Community Development			
Out-of-School Youth Training Program	17.259	201110004246	\$ 524,174
Out-of-School Youth Training Program	17.259	201110004246	86,293
Summer Youth Employment Training Program	17.259	201110004246	7,199
Unemployed Worker Training Program	17.278	C014673	<u>36,853</u>
<b>Total U.S. Department of Labor</b>			<b><u>\$ 654,519</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 863,195</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**CHINATOWN MANPOWER PROJECT, INC.****Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014****1. General information**

The accompanying schedule of expenditures of federal awards presents the activities in all the federal programs of Chinatown Manpower Project, Inc. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies or nonprofit organizations are included on the schedule.

**2. Basis of accounting**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to funding agencies due to those reports being submitted on either a cash or modified cash basis of accounting.

**3. Relationship to financial statements**

Federal program expenditures are reported in the statement of functional expenses as program expenses. In certain programs, the expenditures reported in the financial statements may differ from the expenditures reported in the schedule of expenditures of federal awards due to capitalization of assets, organizations matching or in-kind contributions.

**CONDON  
O'MEARA  
MCGINTY &  
DONNELLY LLP**

Certified Public Accountants

One Battery Park Plaza  
New York, NY 10004-1405  
Tel: (212) 661 - 7777  
Fax: (212) 661 - 4010

**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**

**Independent Auditor's Report**

To the Board of Directors  
Chinatown Manpower Project, Inc.

We have audited, in accordance with the 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, the financial statements of Chinatown Manpower Project Inc. ("CMP"), which comprise the statement of financial position as of June 30, 2014 and June 30, 2013 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements, and have issued our report thereon dated March 24, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CMP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CMP's internal control. Accordingly, we do not express an opinion on the effectiveness of CMP's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether CMP'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*.

*Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carson DeAnna McGinty : Donnelly LLP

Report on Compliance For  
Each Major Program; Report on Internal Control  
Over Compliance and Report on Schedule  
of Expenditures of Federal Awards

Independent Auditor's Report

To the Board of Directors  
Chinatown Manpower Project, Inc.

*Report on Compliance for Each Major Federal Program*

We have audited Chinatown Manpower Project, Inc.'s ("CMP") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CMP's major federal programs for the year ended June 30, 2014. CMP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of CMP's major federal programs based on our audit of the types of compliance requirements referred to above. 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 major federal programs occurred. An audit includes examining, on a test basis, evidence about CMP'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 on compliance for each major federal program. However, our audit does not provide a legal determination of CMP's compliance.

*Opinion on Each Major Federal Program*

In our opinion, CMP complied, in all material respects, with the types of 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, 2014.

### *Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

CMP's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. CMP's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### *Report on Internal Control Over Compliance*

Management of CMP is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered CMP's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program 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 CMP'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 a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



*Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133*

We have audited the financial statements of CMP as of and for the years ended June 30, 2014 and June 30, 2013, and have issued our report thereon dated March 24, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Carson Dilemma McGinty & Donnelly LLP

March 24, 2015

## CHINATOWN MANPOWER PROJECT, INC.

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014Section I – Summary of Auditor’s ResultsFinancial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes √ no

Significant deficiency(ies) identified  
not considered to be material weaknesses? \_\_\_\_\_ 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  
not considered to be material weaknesses? \_\_\_\_\_ yes √ none reported

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

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)? \_\_\_\_\_ yes √ no

Identification of major program:

CFDA Number

Name of Federal Program

17.259

Out-of-School Youth Training Program

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes √ no

**CHINATOWN MANPOWER PROJECT, INC.**

**Schedule of Findings and Questioned Costs  
(continued)**

**For the Year Ended June 30, 2014**

**Section II – Financial Statement Findings**

None noted.

**Section III – Federal Award Findings and Questioned Costs**

<b>Finding 2014-001:</b>	<b>Reporting</b>
Federal Programs:	All major programs
Criteria:	OMB Circular A-133 Section 320(a) states that the reporting package (which includes the audit reports) must be submitted no later than 30 days after the reports are received from the auditors but no later than nine months after the end of the audit period to The Federal Audit Clearinghouse. The Federal Audit Clearinghouse considers the submission requirement complete when it has received the electronic submission of both the data collection form and the reporting package. If the reporting package is late, a recipient may be disqualified from being a low-risk auditee.
Statement of Condition:	CMP submitted the data collection more than nine months after the fiscal years ended June 30, 2013 and June 30, 2012.
Questioned Costs:	None.
Cause:	Due to continuing IT issues, CMP was delayed in preparing for the year-end audits which delayed the preparation of the year-end financial statements.
Effect:	CMP did not adhere to the submission requirements above.
Recommendation:	We recommend that CMP adhere to these submission requirements.
<b>Management's Response:</b>	During the preparation for the audit of the fiscal year ended June 30th 2013, CMP experienced many software related issues which resulted in delays to the readiness of the financial reports and submission of the audited financials to the Federal Audit Clearing House for that fiscal year. In fiscal year 2014, CMP purchased and installed new accounting software to resolve these issues.

## CHINATOWN MANPOWER PROJECT, INC.

Status of Prior Year's Findings  
For the Year Ended June 30, 2014

Section IV – Current Stats of Prior-Year's Findings

<u>Item #</u>	<u>Description of Condition</u>	<u>Status of Corrective Action</u>
2013-001	Reporting	This prior year finding has not been corrected (see 14-01)