

**CHINATOWN PARTNERSHIP  
LOCAL DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2010 AND 2009**

**CHINATOWN PARTNERSHIP  
LOCAL DEVELOPMENT CORPORATION**

Index

	<u>Page</u>
Independent Auditors' Report	1
Statements of financial position as of June 30, 2010 and 2009	2
Statements of activities for the years ended June 30, 2010 and 2009	3
Statements of cash flows for the years ended June 30, 2010 and 2009	4
Statement of functional expenses for the year ended June 30, 2010 with comparative totals for 2009	5
Notes to financial statements	6 – 10
 <u>Supplementary Financial Information</u>	
Independent Auditors' Report on Supplementary Information	11
Schedule of Clean Streets expenditures for the year ended June 30, 2010	12



# Skody Scot & Company, CPAs, P.C.

352 Seventh Avenue, 9th Floor, New York, NY 10001 • (T) 212-967-1100 • (F) 212-967-2002

[www.skodyscot.com](http://www.skodyscot.com)

## INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of  
Chinatown Partnership Local  
Development Corporation

We have audited the accompanying statements of financial position of Chinatown Partnership Local Development Corporation as of June 30, 2010 and 2009, and the related statements of activities, cash flows and functional expenses, for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted the audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chinatown Partnership Local Development Corporation at June 30, 2010 and 2009, and the results of its activities, functional expenses and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

*Skody Scot & Company, CPAs, PC*

November 10, 2010

**CHINATOWN PARTNERSHIP LOCAL DEVELOPMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,231,717	\$ 1,620,636
Grants and contributions receivable	248,192	19,687
Prepaid expenses	735	1,226
Investments, net	-	9,750
Property and equipment, net	62,800	104,200
Total assets	<b>\$ 1,543,444</b>	<b>\$ 1,755,499</b>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 91,614	\$ 94,491
Deferred income	-	86,737
Total liabilities	91,614	181,228
Commitments and contingencies (see notes)		
Net Assets:		
Unrestricted	1,451,830	1,574,271
Temporarily restricted	-	-
Permanently restricted	-	-
Total net assets	1,451,830	1,574,271
Total liabilities and net assets	<b>\$ 1,543,444</b>	<b>\$ 1,755,499</b>

See accompanying notes to financial statements.

**CHINATOWN PARTNERSHIP LOCAL DEVELOPMENT CORPORATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Support and Revenues:</b>		
Unrestricted:		
Special event income	\$ 215,808	\$ 271,356
Less: related direct costs	(56,451)	(56,733)
Net special event income	159,357	214,623
Subcontract revenues - government	756,269	943,304
Program service revenue	32,110	38,497
Contributions and foundation grants	25,371	1,015,798
Contributions in-kind	10,000	-
Investment income	15,201	26,841
Total support and revenues	<u>998,308</u>	<u>2,239,063</u>
 <b>Expenses:</b>		
Program Expenses:		
Clean streets	822,475	1,009,464
Marketing and economic development	186,568	125,610
Total program expenses	<u>1,009,043</u>	<u>1,135,074</u>
Supporting Services:		
Management and general	103,392	130,286
Fundraising	8,314	8,090
Total expenses	<u>1,120,749</u>	<u>1,273,450</u>
 <b>Increase/(Decrease) In Net Assets:</b>		
Unrestricted	(122,441)	965,613
Temporarily restricted	-	-
Permanently restricted	-	-
Increase/(decrease) in net assets	<u>(122,441)</u>	<u>965,613</u>
Net assets, beginning of year	<u>1,574,271</u>	<u>608,658</u>
Net assets, end of year	<u>\$ 1,451,830</u>	<u>\$ 1,574,271</u>

See accompanying notes to financial statements.

**CHINATOWN PARTNERSHIP LOCAL DEVELOPMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (122,441)	\$ 965,613
Adjustments for non-cash items included in operating activities:		
Depreciation and amortization	41,400	45,616
Losses/(gains) on investments	-	650
Changes in assets and liabilities:		
Grants and contributions receivable	(228,505)	14,067
Prepaid expenses	491	2,620
Deferred income	(86,737)	40,887
Accounts payable and accrued expenses	(2,877)	45,625
Net cash provided/(used) by operating activities	(398,669)	1,115,078
Cash flows from investing activities:		
Donation of investments	-	(10,400)
Sale of investments	9,750	-
Net cash provided/(used) by investing activities	9,750	(10,400)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(388,919)	1,104,678
Cash and cash equivalents at beginning of year	1,620,636	515,958
Cash and cash equivalents at end of year	\$ 1,231,717	\$ 1,620,636

**See accompanying notes to financial statements.**

**CHINATOWN PARTNERSHIP LOCAL DEVELOPMENT CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009**

	2010					2009
	Program Expenses		Supporting Services			Total Expenses
	Clean Streets	Marketing & Economic Development	Total Program Expenses	Management and General	Fund-raising	
Personnel costs:						
Executive salaries	\$ -	\$ 75,000	\$ 75,000	\$ 43,750	\$ 6,250	\$ 125,000
Staff salaries	169,744	-	169,744	13,077	-	182,821
Payroll taxes	12,739	7,335	20,074	5,637	611	26,322
Employee benefits	36,318	17,438	53,756	13,401	1,453	68,610
Total personnel costs	218,801	99,773	318,574	75,865	8,314	402,753
Direct expenses:						
Advertising and promotion	-	30,418	30,418	-	-	30,418
Consultants and contractors	444,474	13,533	458,007	45	-	458,052
Depreciation	20,700	12,420	33,120	8,280	-	41,400
Equipment rentals and purchases	2,656	-	2,656	-	-	2,656
Insurance	7,429	-	7,429	-	-	7,429
Office supplies and miscellaneous	730	600	1,330	10,999	-	12,329
Postage and delivery	7,661	7,490	15,151	1,219	-	16,370
Printing and design	-	-	-	945	-	945
Professional fees	10,500	-	10,500	-	-	10,500
Program expenses	6,600	5,940	12,540	-	-	12,540
Project expenses	-	15,100	15,100	-	-	15,100
Rent	73,618	-	73,618	-	-	73,618
Repairs and maintenance	1,270	-	1,270	-	-	1,270
Supplies	4,342	988	5,330	-	-	5,330
Tech support and software	6,937	150	7,087	-	-	7,087
Telephone and communications	7,180	-	7,180	-	-	7,180
Travel, hotels and meetings	688	156	844	3,973	-	4,817
Utilities	8,889	-	8,889	-	-	8,889
Website	-	-	-	2,066	-	2,066
Total direct expenses	603,674	86,795	690,469	27,527	-	717,996
Total expenses	\$ 822,475	\$ 186,568	\$ 1,009,043	\$ 103,392	\$ 8,314	\$ 1,120,749
						\$ 1,273,450

**CHINATOWN PARTNERSHIP  
LOCAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Organization

Chinatown Partnership Local Development Corporation (Organization), a not-for-profit organization, was incorporated in the State of New York on October 18, 2004. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization primarily receives its support from contributions and local government affiliates in the New York City area. In May 2007, the Organization was required by The City of New York to change its fiscal year to June 30<sup>th</sup> from a calendar year, in order to comply with the City's grant reporting requirements.

Programs and services provided: The Organization's two major programs include the following: Clean Streets - providing supplemental cleaning of streets/curbs and graffiti removal; and Marketing and Economic Development - promoting the area to residents and tourists and to retain and develop prospective businesses by providing information through printed material and electronic media.

Basis of Financial Statements

In accordance with GAAP the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

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

Cash Flows

Cash receipts and payments are classified according to operating, investing, and financing activities. Only investments with maturities of three months or less are classified as cash equivalents.



**CHINATOWN PARTNERSHIP  
LOCAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Property and Equipment

Depreciation of equipment is computed by the straight-line method over estimated useful lives ranging from three to ten years. Leasehold improvements and acquisition costs are amortized by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Management and General Expenses

The Organization classifies expenses, which are not directly related to a specific program, as management and general expenses.

Program Service Revenue

Program service revenue relates to fees received in exchange for program services and includes providing additional sanitation services. Revenue is recognized when the program service is provided.

Note 2 - Cash and Cash Equivalents

Cash and equivalents consisted of the following at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Checking	\$ 179,510	\$ 382,829
Money market funds	<u>1,052,207</u>	<u>1,237,807</u>
	<u>\$1,231,717</u>	<u>\$1,620,636</u>

**CHINATOWN PARTNERSHIP  
LOCAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 3 - Property and Equipment**

Property and equipment consisted of the following at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Office equipment	\$ 15,084	\$ 15,084
Leasehold improvements	107,000	107,000
Lease acquisition	100,000	100,000
Less: Accumulated depreciation and amortization	<u>( 159,284)</u>	<u>( 117,884)</u>
	<u>\$ 62,800</u>	<u>\$ 104,200</u>

**Note 4 - Commitments and Contingencies**

The Organization leases space under a noncancellable operating lease. As of June 30, 2010 minimum aggregate annual rentals are as follows:

Year ended June 30, 2011	\$ 62,739
2012	5,240

Total rent expense charged to operations for the year ended June 30, 2010 and 2009 was \$73,618 and \$73,922, respectively.

The Organization maintains its checking, money market and investment accounts with financial institutions. Balances that exceed the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurance coverage are summarized for the years ended June 30, 2010 and 2009, as follows:

	<u>2010</u>	<u>2009</u>
Institution balances	\$ 1,246,163	\$1,796,336
Less: Amounts covered	<u>( 966,961)</u>	<u>( 973,412)</u>
Uninsured amounts	<u>\$ 279,202</u>	<u>\$ 822,924</u>

**CHINATOWN PARTNERSHIP  
LOCAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 5 - Subcontract Revenues - Government**

In June 2006 the Organization entered into a contract with the NYC Department of Small Business Services (SBS) to provide services related to the Lower Manhattan Development Corporation (LMDC) grant to SBS. The SBS grant provides for a four-year budget of \$5,400,000, for the Clean Streets program. The Organization's subcontract provides for \$1,757,740 for outreach, staffing and facilities. In August 2008 the contract was amended to include cleaning consultants and the contract amount was increased to \$2,160,884. The Organization expended \$743,923 in the year ended June 2010, and \$940,603 in the year ended June 2009.

**Note 6 - Related Party Transactions**

The Organization had the following related party transactions with entities related to board members:

	<u>2010</u>	<u>2009</u>
Printing services	\$ -	\$ 17,790
Attending fundraising events	850	1,600

**Note 7 - Investments**

Investments in marketable equity securities include the following fair values based on quoted prices in active markets (all Level 1 Measurements) and unrealized gains/(losses) at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Fair market value	\$ -	\$ 9,750
Cost	-	10,400
Unrealized investment loss	<u>\$ -</u>	<u>\$ ( 650)</u>

**CHINATOWN PARTNERSHIP  
LOCAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 8 – Investment Income and Other Interest**

Investment income reported on the Statements of Activities for the years ended June 30, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Interest income	\$ 15,201	\$ 27,491
Unrealized losses	-	( 650)
Total investment income	<u>\$ 15,201</u>	<u>\$ 26,841</u>

**Note 9 - Fundraising Expenses**

The Organization conducted activities that included direct solicitations for sponsorships (fundraising), as well as program and management and general components. The total joint costs for the years ended June, 30 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Program expenses	\$ 99,773	\$ 48,541
Management and general	58,201	105,172
Fundraising	<u>8,314</u>	<u>8,090</u>
Total joint costs	<u>\$ 166,288</u>	<u>\$ 161,803</u>

The total amounts allocated to fundraising activities was \$8,314 in 2010 and \$8,090 in 2009.

**Note 10 - Contributions In-Kind**

Contributions in-kind received are in the form of services and use of facilities, in lieu of cash payments. The estimated fair value of these contributions is reported as support and expense in the period in which the services are received. During the year ended June 30, 2010, the Organization received free advertising.



# Skody Scot & Company, CPAs, P.C.

352 Seventh Avenue, 9th Floor, New York, NY 10001 • (T) 212-967-1100 • (F) 212-967-2002  
[www.skodyscot.com](http://www.skodyscot.com)

---

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To: The Board of Directors of  
Chinatown Partnership Local Development Corporation

Our audits of the basic financial statements included in the preceding section of this report were performed for the purpose of forming an opinion on those statements taken as a whole. The supplemental material presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

November 10, 2010

*Skody Scot & Company, CPAs, PC*

**CHINATOWN PARTNERSHIP LOCAL DEVELOPMENT CORPORATION**  
**SCHEDULE OF CLEAN STREETS EXPENDITURES**  
**AGREEMENT # M07-571**  
**(Supplemental Financial Information)**  
**YEAR ENDED JUNE 30, 2010**

	<u>2010 Expenses</u>	<u>Budgeted Expenses</u>
Personnel costs:		
Director of operations	\$ 50,923	\$ 51,000
Outreach manager	65,776	62,750
Fiscal officer	53,045	53,100
Fringe benefits	49,057	46,030
Total personnel costs	<u>218,801</u>	<u>212,880</u>
Direct expenses:		
Cleaning and maintenance	444,474	487,065
Insurance	1,300	7,300
Audit fee	5,000	3,977
Rent	73,618	101,920
Leasehold improvements	730	2,500
Total direct expenses	<u>525,122</u>	<u>602,762</u>
Total expenditures	<u><u>\$ 743,923</u></u>	<u><u>\$ 815,642</u></u>